military supplies be manufactured in Government-owned navy yards and arsenals; to the Committee on Military Affairs.

2641. By Mr. CRAMTON: Petition of the members of the Methodist Episcopal Church of Romeo, Mich., and the Woman's Christian Temperance Union of Romeo, Mich., protesting against any modification of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

2642. By Mr. CULLEN: Petition of Openers and Packers' Association of the United States Customs Service, New York City, asking for a living wage, and also favoring House bill 8202, to amend the retirement act, providing for a pension after 30 years' service; to the Committee on the Civil Service.

2643. Also, petition of the Associated Traffic Clubs of America, opposing the making of freight rates out of political expediency, and viewing with great concern anything that would restrict the Interstate Commerce Commission in the free and unbiased consideration of any and all matters coming before it; to the Committee on Interstate and Foreign Commerce.

2644. By Mr. DARROW: Petition of 138 employees of the Wayne Junction car shop of the Philadelphia & Reading Railway Co., protesting against the adoption of the Howell-Barkley labor bill; to the Committee on Interstate and Foreign Commerce.

2645. By Mr. FENN: Petition of the Manufacturers' Association of Hartford County, Conn., protesting against the proposal to discharge the Committee on Interstate and Foreign Commerce from further consideration of House bill 7358; to the Committee on Interstate and Foreign Commerce.

2646. Also, petition of the Employers' Association of Hartford, Conn. (Inc.), comprising 300 business concerns, protesting against the proposal to discharge the Committee on Interstate and Foreign Commerce from further consideration of House bill 7358; to the Committee on Interstate and Foreign Commerce.

2647. Also, petition of the Connecticut Chamber of Commerce, objecting to the passage of the so-called Fitzgerald bill (H. R. 487) with reference to workmen's compensation; to the Committee on Interstate and Foreign Commerce.

2648. By Mr. FULLER: Petition of the American Federation of Railroad Workers, Harsimus Lodge, No. 99, protesting against the passage of the Howell-Barkley bill (H. R. 7358); to the Committee on Interstate and Foreign Commerce.

2649. Also, petition of the Illinois Agricultural Association, favoring the enactment of the McNary-Haugen bill; to the Committee on Agriculture.

2650. Also, petition of the Millers' National Federation, opposing the McNary-Haugen bill; to the Committee on Agriculture.

2651. Also, petitions of the Illinois Valley Manufacturers' Club, of La Salle; the Ingersoll Milling Machine Co., of Rockford; L. E. Block, chairman board of directors of the Inland Steel Co., of Chicago; and George D. Roper, of Rockford, all of Illinois, opposing amendment of the transportation act; to the Committee on Interstate and Foreign Commerce.

2652. Also, petition of the American Farm Bureau Federation, opposing the proposed tax on radio receiving sets; to the Committee on Ways and Means.

2653. By Mr. GALLIVAN: Petition of American Federation of Railroad Workers, Chicago, Ill., protesting against the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2654. Also, petition of Harsimus Lodge, No. 99, American Federation of Railroad Workers, Jersey City, N. J., protesting against passage of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2655. By Mr. SITES: Petition of citizens of Carlisle and Cumberland County, Pa., requesting favorable consideration of House bill 3799, providing an increase in pension for Mr. B. F. Cornman, of Carlisle; to the Committee on Invalid Pensions.

SENATE

SATURDAY, *May 3, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had signed the enrolled bill (H. R. 7959) to provide adjusted compensation for veterans of the World War, and for other purposes, and it was subsequently signed by the President pro tempore.

CALL OF THE ROLL

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	King	Shields
Ashurst	Fletcher	Ladd	Shipstead
Ball	Frazier	Lodge	Shortridge
Bayard	George	McKellar	Simmons
Borah	Glass	McKinley	Smith
Brandegee	Gooding	McLean	Smoot
Brookhart	Hale	McNary	Stanley
Bruce	Harreld	Moses	Stephens
Bursum	Harris	Neely	Sterling
Cameron	Harrison	Norris	Swanson
Capper	Heflin	Oddie	Underwood
Caraway	Howell	Overman	Wadsworth
Copeland	Johnson, Calif.	Pepper	Walsh, Mass.
Cummins	Johnson, Minn.	Phipps	Walsh, Mont.
Dale	Jones, N. Mex.	Pittman	Warren
Dial	Jones, Wash.	Ransdell	Watson
Dill	Kendrick	Reed, Pa.	Weller
Ferris	Keyes	Sheppard	Willis

Mr. SMOOT. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is detained from the Senate on official business. I ask that the announcement may stand for the day.

Mr. JONES of Washington. I desire to announce that the Senator from Wisconsin [Mr. LENROOT] is absent owing to illness. I ask to have this announcement stand for the day.

The PRESIDENT pro tempore. Seventy-two Senators having answer to their names, there is a quorum present.

PERSONAL EXPLANATION—VOTE ON RADIO AMENDMENT

Mr. FESS. Mr. President, yesterday on the vote upon the radio amendment I was paired with the junior Senator from Mississippi [Mr. STEPHENS]. I inadvertently voted and failed to announce the pair. I make the statement at this time that he would have voted against the committee amendment had he been present, and if the rule permitted I would withdraw my vote in order to take care of him. My vote, of course, did not affect the result. It was an inadvertence on my part.

SPECULATIONS IN WHEAT

The PRESIDENT pro tempore laid before the Senate the following communication from the Secretary of Agriculture, which was ordered to be printed in the RECORD, and, with the accompanying report, referred to the Committee on Agriculture and Forestry:

DEPARTMENT OF AGRICULTURE,
Washington, May 2, 1924.

Hon. ALBERT B. CUMMINS,
President pro tempore, United States Senate.

DEAR SENATOR CUMMINS: In response to Senate Resolution No. 9, adopted by Senate on January 8, 1924, I have the honor to transmit herewith the report of the Grain Futures Administration under the grain futures act of September 21, 1922, with respect to trading in grain futures on the Chicago Board of Trade.

Sincerely yours,

HENRY C. WALLACE, *Secretary.*

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a communication in the nature of a petition of the Trenton Council of Churches, of Trenton, N. J., praying that a more satisfactory method of dealing with the problem of Japanese immigration be found than that contained in pending immigration legislation, etc., which was referred to the Committee on Immigration.

He also laid before the Senate a memorial of the National Association of Manufacturers, remonstrating against ratification of the convention for the protection of trade-marks signed at Santiago, Chile, April 28, 1923, which was referred to the Committee on Patents.

He also laid before the Senate a petition of the constituent bodies of the Federal Council of the Churches of Christ in America, and other bodies, praying for the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of the National Council of Administration, Veterans of Foreign Wars of the United States, praying that the next appointee to the Civil

Service Commission be an ex-service man, which was referred to the Committee on Civil Service.

He also laid before the Senate resolutions of the New York Chapter of the Military Order of the World War, protesting against the passage of legislation for the relief of the distressed and starving women and children of Germany, which were referred to the Committee on Foreign Relations.

Mr. DILL presented a petition of sundry citizens of Tacoma, Wash., praying for the passage of the so-called Dyer anti-lynching bill, which was referred to the Committee on the Judiciary.

Mr. WARREN presented memorials of sundry members of Laramie (Wyo.) Lodge No. 10 and Rock Springs (Wyo.) Lodge No. 16, The Shop Employees' Association, Union Pacific System, remonstrating against the passage of the so-called Howell-Barkley railway labor bill, which were referred to the Committee on Interstate Commerce.

Mr. PEPPER. I present a petition of the Roosevelt Memorial Association and request consent that it be referred to the Committee on the Library and printed in the RECORD.

There being no objection, the petition was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

Petition of the Roosevelt Memorial Association, a corporation of the District of Columbia, praying that a site in the city of Washington be approved for the erection of a monument to Theodore Roosevelt.

To the Congress of the United States of America:

Inasmuch as five years have now elapsed since the death of Theodore Roosevelt, the Roosevelt Memorial Association, desiring to erect an enduring monument to the memory of Theodore Roosevelt in the city of Washington, has set aside the initial sum of $1,000,000 for the furtherance of that purpose.

The association can not proceed with that purpose until the Congress shall have given its approval to the use of a site in the city of Washington. Such approval is necessary to the accomplishment of the plans of the association, because the association wishes to obtain a fitting design for the proposed monument through a competition which shall be limited to the best-qualified American architects, sculptors, and other artists, and the designs to be submitted can not be adequately prepared except in relation to a designated site.

In selecting a year ago the site hereinafter proposed, after close examination of numerous other sites in the District of Columbia, the association was influenced by the knowledge of President Roosevelt's part in the creation of the Park Commission plan of 1901, by his unswerving support of it, and by his insistence that each new element of beauty or utility introduced into the city should be in harmony with it. The association respectfully submits that it is peculiarly fitting that his memorial should be an important factor in the realization of the plan of 1901. It desires to carry this plan forward by placing the national memorial to him on a site so situated that the creation of the memorial will mean the development of one of the hitherto undeveloped but major portions of the plan.

The association is aware of the problems and the practical considerations involved in connection with the site which it has in view. The existence of such difficulties and the importance of their correct solution make it impracticable to define the exact nature of the memorial and the exact limits of the site desired until the whole problem shall have been considered by the architects to whom it is to be submitted.

It is equally impracticable to estimate at this time the exact cost of the memorial. In case the sum now set aside by the association for the erection of the memorial should prove insufficient for the purpose, and in case the necessary further funds should not be otherwise contributed, the association may request the Congress to appropriate such further sums as may be necessary. The association does not at the present time request any such appropriation.

Wherefore the Roosevelt Memorial Association respectfully prays that the Congress of the United States will approve by appropriate resolution the following proposal subject to the conditions thereto attached:

That that portion of the territory included in the Park Commission plan of 1901, lying in general between the Washington Monument and the Potomac River and bounded by Fifteenth and Seventeenth Streets projected southward, including the waters of Twining Lake, be granted and dedicated as a site for the erection by the Roosevelt Memorial Association of a monument to Theodore Roosevelt. This grant is made subject to the following conditions:

1. The Roosevelt Memorial Association shall proceed forthwith to secure an appropriate design for the monument in accordance with the plans embodied in its petition. The design selected shall provide adequately for the requirements of traffic circulation and recreational facilities.

2. The design selected shall be submitted to the Congress before the 1st day of January, 1925.

3. Unless the Congress approves the design submitted within one year thereafter this grant shall be deemed revoked without further resolution thereon, unless the time for submitting a satisfactory design be extended.

ROOSEVELT MEMORIAL ASSOCIATION (INC.),
WILLIAM BOYCE THOMPSON, *President.*

LAWRENCE F. ABBOTT,	ARTHUR W. PAGE,
R. J. CUDDIHY,	JOHN M. PARKER,
HERMANN HAGEDORN,	GIFFORD PINCHOT,
WILL H. HAYS,	ELIHU ROOT,
ELON H. HOOKER,	MARK SULLIVAN,
IRWIN R. KIRKWOOD,	WILLIAM BOYCE THOMPSON,
WILLIAM LOEB,	ALBERT H. WIGGIN,

The Executive Committee of the Board of Trustees,
[SEAL] HERMANN HAGEDORN, *Secretary.*
NEW YORK, *February 8, 1924.*

Mr. LODGE presented the memorial of the Association to Abolish War, of Boston, Mass., remonstrating against the enactment of legislation excluding Japanese immigrants to the United States, which was referred to the Committee on Immigration.

Mr. CAPPER presented the petition of sundry members of the Mothers' Club of Columbus, Kans., praying an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. WILLIS presented a resolution adopted by the Woman's Christian Temperance Union of Lisbon, Ohio, favoring the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Woman's Christian Temperance Union of Lisbon, Ohio, protesting against the enactment of legislation excluding Japanese immigrants to the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted at a mass meeting held under the auspices of a committee of the Yugoslav Workingmen's Benevolent Organization at Bellaire, Ohio, remonstrating against the passage of discriminatory legislation affecting foreign-born workers, which was referred to the Committee on Immigration.

Mr. FLETCHER presented petitions of sundry citizens and business firms in the State of Florida praying for the enactment of legislation to protect the public against the so-called "cut-rate evil" and false pretense in merchandising under trade-mark or special brand of articles of standard quality, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES

Mr. FESS, from the Committee on the Library, to which was referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

A bill (S. 2434) for the purchase of the Oldroyd collection of Lincoln relics (Rept. No. 490); and

A joint resolution (S. J. Res. 85) authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington (Rept. No. 491).

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2932) to quiet the title to lands within Pueblo Indian land grants, and for other purposes, reported it with amendments and submitted a report (No. 492) thereon.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2284) to provide for the construction of certain public buildings in the District of Columbia, reported it with an amendment and submitted a report (No. 493) thereon.

Mr. JONES of Washington, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 2232) to amend section 2 of the act approved February 15, 1893, entitled "An act granting additional quarantine powers and imposing additional duties upon the Marine Hospital Service" (Rept. No. 494);

A bill (H. R. 1475) for the relief of Luke Ratigan (Rept. No. 495);

A bill (H. R. 6817) to provide for the construction of a vessel for the Coast Guard (Rept. No. 496); and

A bill (H. R. 8070) authorizing preliminary examinations and surveys of sundry streams with a view to the control of their floods (Rept. No. 497).

GREAT PEEDEE RIVER BRIDGE, S. C.

Mr. DIAL. From the Committee on Commerce, I report back favorably with amendments the bill (S. 3097) to authorize the building of a bridge across the Great Peedee River, in South Carolina, and I submit a report (No. 498) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, in section 1, page 1, line 6, before the word "bridge" to strike out "highway"; in line 7, before the word "at" to insert "at a point suitable to the interests of navigation," and on page 2, line 2, after the word "navigable," to strike out "water" and to insert "waters," so as to make the bill read:

Be it enacted, etc., That the State Highway Department of South Carolina, in connection with the Lower Peedee bridge commission, be, and they are hereby, authorized to construct and maintain a bridge and approaches thereto across the Great Peedee River at a point suitable to the interests of navigation, at or near a point known as Yawhanna Ferry, between the counties of Georgetown and Horry, S. C., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ENROLLED BILL PRESENTED

Mr. WATSON, from the Committee on Enrolled Bills, reported that on May 2, 1924, that committee presented to the President of the United States the enrolled bill (S. 1932) to change the name of Thirty-seventh Street between Chevy Chase Circle and Reno Road.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 3219) to amend the China trade act, 1922; to the Committee on Commerce.

By Mr. BURSUM:

A bill (S. 3220) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late George Mauger Burklin and the remains of the late Anton Lerch Burklin from Glenwood Cemetery, District of Columbia, to Fort Lincoln Cemetery, Prince Georges County, Md.; to the Committee on the District of Columbia.

By Mr. CARAWAY:

A bill (S. 3221) for the relief of employees of the Bureau of Printing and Engraving who were removed by Executive order of the President, dated March 31, 1922; to the Committee on the Judiciary.

A bill (S. 3222) for the relief of S. Davidson & Sons; to the Committee on Claims.

A bill (S. 3223) for the relief of certain landowners; to the Committee on Public Lands and Surveys.

By Mr. DILL:

A bill (S. 3224) for the relief of J. P. Boland (with accompanying papers); to the Committee on Claims.

A bill (S. 3225) granting a pension to A. A. Henry (with accompanying papers); to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 3226) for the relief of Harry P. Hollidge (with accompanying papers); to the Committee on Claims.

By Mr. KENDRICK:

A bill (S. 3227) authorizing the Secretary of the Interior to accept on behalf of the United States title to certain lands within the Medicine Bow National Forest, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 3228) to encourage home ownership and to stimulate the buying and building of homes; to create a standard form of investment based on building-association mortgages; to create Government depositories and financial agents for the United States; to furnish a market for Government bonds; and for other purposes; to the Committee on Banking and Currency.

A bill (S. 3229) for the relief of the owners of the barge *Mary M;*

A bill (S. 3230) for the relief of all owners of cargo laden aboard the lighter *Linwood* at the time of her collision with the U. S. S. *Absecom;*

A bill (S. 3231) for the relief of all owners of cargo laden aboard the U. S. transport *Florence Luckenbach* on or about December 27, 1918;

A bill (S. 3232) for the relief of the owners of the steamship *Basse Indre* and all owners of cargo laden aboard said vessel at the time of her collision with the steamship *Housatonic;* and

A bill (S. 3233) for the relief of owners of cargo aboard the steamship *Boxley;* to the Committee on Claims.

By Mr. SMOOT:

A bill (S. 3234) to amend the act entitled "An act to license customhouse brokers," approved June 10, 1910; to the Committee on Finance.

By Mr. CUMMINS (Mr. OVERMAN in the chair):

A bill (S. 3235) for the relief of Christina Conniff (with accompanying papers); to the Committee on Claims.

By Mr. PEPPER:

A joint resolution (S. J. Res. 120) approving, conditionally, a site for the erection of a monument to Theodore Roosevelt; to the Committee on the Library.

AMENDMENT TO TAX REDUCTION BILL

Mr. SHORTRIDGE submitted an amendment intended to be proposed by him to House bill 6715, the tax reduction bill, which was ordered to lie on the table and to be printed.

WORLD WAR VETERANS

Mr. SHIELDS submitted three amendments intended to be proposed by him to the bill (S. 2257) to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Veterans' Bureau and the administration of the war risk insurance act, as amended, and the vocational rehabilitation act, as amended, which were ordered to lie on the table and to be printed.

AMENDMENT TO RIVERS AND HARBORS BILL

Mr. FLETCHER submitted an amendment authorizing a preliminary examination and survey, and so forth, of the Homosassa River, Fla., intended to be proposed by him to the bill (H. R. 8914) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. STANFIELD submitted an amendment proposing to increase the appropriation for investigating the food habits of North American birds and other animals in relation to agriculture, horticulture, and forestry, and so forth, from $508,880 to $652,240, intended to be proposed by him to House bill 7220, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on May 1, 1924, the President approved and signed the act (S. 2821) to amend section 3 of an act entitled "An act to incorporate the National McKinley Birthplace Memorial Association," approved March 4, 1911.

METROPOLITAN POLICE AND FIRE DEPARTMENT

On motion of Mr. BALL and by unanimous consent, the bill (H. R. 5855) to fix the salaries of officers and members of the Metropolitan police force and the fire department of the District of Columbia was recommitted to the Committee on the District of Columbia.

PERSONAL EXPLANATION—BLAIR COAN

Mr. WALSH of Montana. Mr. President, the press generally on yesterday morning carried a statement to the effect that a witness—one Blair Coan—appearing before the committee investigating charges against my colleague had told that he was sent to Montana by Mr. Lockwood, secretary of the National Republican Committee, to get something on my colleague and another Senator, and that upon the adjournment of the committee, to a group of newspaper reporters, Mr. Coan had stated that the other Senator was myself. The New York World carried the news item, and in addition thereto a statement to the effect that in giving the information the witness proudly slapped his breast and said that he had in his inside coat pocket the evidence against Senator WALSH.

On yesterday morning I received a telegram from Mr. Coan, which reads as follows:

WASHINGTON, D. C., *May 1, 1924.*

Hon. THOMAS J. WALSH,
United States Senate, Washington, D. C.:

I learned to-night the New York World correspondent had sent out a story saying I said I found information in Montana sufficient to cause an indictment against you. This is not so. I made no such statement, and it was evidently sent out for some purpose. I phoned New York and had it killed in World after first edition, and have called and wired all newspapers whom I thought might have carried such a statement.

BLAIR COAN.

Notwithstanding this denial, Mr. President, the fact is that Mr. Coan did say and did do what he is reported in the New York World to have said and done. It was said and done in the presence of Mr. Kinsley, of the Chicago Tribune; of Mr. Speer, of the New York Times; of Mr. Hopkins, of the New York World; and of Mr. Bean, of the New York Times, all of whom will aver that the report in the New York World of what transpired is correct.

Mr. President, I do not desire to comment upon this transaction further than to observe that it is a perfectly plain and flagrant contempt of the Senate of the United States, not only on the part of Mr. Coan but of everyone who is responsible for his acts, calculated, as a matter of course, if not obviously intended, to intimidate Senators in the discharge of their duties in this Chamber and before the committees of the Senate.

Obviously any action taken with reference to the matter upon this side of the Chamber or by myself would be attributed to motives other than a desire to preserve the dignity and to maintain the independence of Senators. Doubtless some Senator upon the other side of the Chamber will feel that it calls for notice, if not for action, by this body.

TAX REDUCTION

Mr. SMOOT. I ask that the tax bill be now proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SIMMONS. Mr. President, I send to the desk and offer as a substitute for the surtax provisions of the pending bill an amendment, which I will not, however, ask to be read.

The amendment proposed by Mr. SIMMONS is as follows:

On page 34, beginning with line 5, strike out all of subdivision (a), section 211, and in place thereof insert the following:

"SEC. 211. (a) In lieu of the tax imposed by section 211 of the revenue act of 1921, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax as follows:

"Upon a net income of $10,000 there shall be no surtax; upon net incomes in excess of $10,000 and not in excess of $14,000, 1 per cent of such excess.

"Forty dollars upon net incomes of $14,000; and upon net incomes in excess of $14,000 and not in excess of $16,000, 2 per cent in addition of such excess.

"Eighty dollars upon net incomes of $16,000; and upon net incomes in excess of $16,000 and not in excess of $18,000, 3 per cent in addition of such excess.

"One hundred and forty dollars upon net incomes of $18,000; and upon net incomes in excess of $18,000 and not in excess of $20,000, 4 per cent in addition of such excess.

"Two hundred and twenty dollars upon net incomes of $20,000; and upon net incomes in excess of $20,000 and not in excess of $22,000, 5 per cent in addition of such excess.

"Three hundred and twenty dollars upon net incomes of $22,000; and upon net incomes in excess of $22,000 and not in excess of $24,000, 6 per cent in addition of such excess.

"Four hundred and forty dollars upon net incomes of $24,000; and upon net incomes in excess of $24,000 and not in excess of $26,000, 7 per cent in addition of such excess.

"Five hundred and eighty dollars upon net incomes of $26,000; and upon net incomes in excess of $26,000 and not in excess of $28,000, 8 per cent in addition of such excess.

"Seven hundred and forty dollars upon net incomes of $28,000; and upon net incomes in excess of $28,000 and not in excess of $30,000, 9 per cent in addition of such excess.

"Nine hundred and twenty dollars upon net incomes of $30,000; and upon net incomes in excess of $30,000 and not in excess of $34,000, 10 per cent in addition of such access.

"One thousand three hundred and twenty dollars upon net incomes of $34,000; and upon net incomes in excess of $34,000 and not in excess of $36,000, 11 per cent in addition of such excess.

"One thousand five hundred and forty dollars upon net incomes of $36,000; and upon net incomes in excess of $36,000 and not in excess of $38,000, 12 per cent in addition of such excess.

"One thousand seven hundred and eighty dollars upon net incomes of $38,000; and upon net incomes in excess of $38,000 and not in excess of $42,000, 13 per cent in addition of such excess.

"Two thousand three hundred dollars upon net incomes of $42,000; and upon net incomes in excess of $42,000 and not in excess of $44,000, 14 per cent in addition of such excess.

"Two thousand five hundred and eighty dollars upon net incomes of $44,000; and upon net incomes in excess of $44,000 and not in excess of $46,000, 15 per cent in addition of such excess.

"Two thousand eight hundred and eighty dollars upon net incomes of $46,000; and upon net incomes in excess of $46,000 and not in excess of $48,000, 16 per cent in addition of such excess.

"Three thousand two hundred dollars upon net incomes of $48,000; and upon net incomes in excess of $48,000 and not in excess of $50,000, 17 per cent in addition of such excess.

"Three thousand five hundred and forty dollars upon net incomes of $50,000; and upon net incomes in excess of $50,000 and not in excess of $52,000, 18 per cent in addition of such excess.

"Three thousand nine hundred dollars upon net incomes of $52,000; and upon net incomes in excess of $52,000 and not in excess of $56,000, 19 per cent in addition of such excess.

"Four thousand six hundred and sixty dollars upon net incomes of $56,000; and upon net incomes in excess of $56,000 and not in excess of $58,000, 20 per cent in addition of such excess.

"Five thousand and sixty dollars upon net incomes of $58,000; and upon net incomes in excess of $58,000 and not in excess of $62,000, 21 per cent in addition of such excess.

"Five thousand nine hundred dollars upon net incomes of $62,000; and upon net incomes in excess of $62,000 and not in excess of $64,000, 22 per cent in addition of such excess.

"Six thousand three hundred and forty dollars upon net incomes of $64,000; and upon net incomes in excess of $64,000 and not in excess of $66,000, 23 per cent in addition of such excess.

"Six thousand eight hundred dollars upon net incomes of $66,000; and upon net incomes in excess of $66,000 and not in excess of $68,000, 24 per cent in addition of such excess.

"Seven thousand two hundred and eighty dollars upon net incomes of $68,000; and upon net incomes in excess of $68,000 and not in excess of $70,000, 25 per cent in addition of such excess.

"Seven thousand seven hundred and eighty dollars upon net incomes of $70,000; and upon net incomes in excess of $70,000 and not in excess of $74,000, 26 per cent in addition of such excess.

"Eight thousand eight hundred and twenty dollars upon net incomes of $74,000; and upon net incomes in excess of $74,000 and not in excess of $76,000, 27 per cent in addition of such excess.

"Nine thousand three hundred and sixty dollars upon net incomes of $76,000; and upon net incomes in excess of $76,000 and not in excess of $80,000, 28 per cent in addition of such excess.

"Ten thousand four hundred and eighty dollars upon net incomes of $80,000; and upon net incomes in excess of $80,000 and not in excess of $82,000, 29 per cent in addition of such excess.

"Eleven thousand and sixty dollars upon net incomes of $82,000; and upon net incomes in excess of $82,000 and not in excess of $84,000, 30 per cent in addition of such excess.

"Eleven thousand six hundred and sixty dollars upon net incomes of $84,000; and upon net incomes in excess of $84,000 and not in excess of $88,000, 31 per cent in addition of such excess.

"Twelve thousand nine hundred dollars upon net incomes of $88,000; and upon net incomes in excess of $88,000 and not in excess of $90,000, 32 per cent in addition of such excess.

"Thirteen thousand five hundred and forty dollars upon net incomes of $90,000; and upon net incomes in excess of $90,000 and not in excess of $92,000, 33 per cent in addition of such excess.

"Fourteen thousand two hundred dollars upon net incomes of $92,000; and upon net incomes in excess of $92,000 and not in excess of $94,000, 34 per cent in addition of such excess.

"Fourteen thousand eight hundred and eighty dollars upon net incomes of $94,000; and upon net incomes in excess of $94,000 and not in excess of $96,000, 35 per cent in addition of such excess.

"Fifteen thousand five hundred and eighty dollars upon net incomes of $96,000; and upon net incomes in excess of $96,000 and not in excess of $100,000, 36 per cent in addition of such excess.

"Seventeen thousand and twenty dollars upon net incomes of $100,000; and upon net incomes in excess of $100,000 and not in excess of $200,000, 37 per cent in addition of such excess.

"Fifty-four thousand and twenty dollars upon net incomes of $200,000; and upon net incomes in excess of $200,000 and not in excess of $300,000, 38 per cent in addition of such excess.

"Ninety-two thousand and twenty dollars upon net incomes of $300,000; and upon net incomes in excess of $300,000 and not in excess of $500,000, 39 per cent in addition of such excess.

"One hundred and seventy thousand and twenty dollars upon net incomes of $500,000; and upon net incomes in excess of $500,000, in addition 40 per cent of such excess."

Mr. SIMMONS addressed the Senate. After having spoken for some time, he said:

Mr. President, I wish now to discuss the majority plan; and as it is about the lunch hour, and as I probably have been a little tiresome in my assaults upon the Mellon plan, I have not sufficient attendance here to induce me to proceed.

Mr. GEORGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. OVERMAN in the chair). The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	King	Reed, Mo.
Ball	Fletcher	Ladd	Reed, Pa.
Borah	Frazier	McKellar	Sheppard
Brandegee	George	McKinley	Shipstead
Brookhart	Glass	McLean	Simmons
Bruce	Gooding	McNary	Smith
Bursum	Hale	Moses	Smoot
Cameron	Harreld	Neely	Stanley
Capper	Harris	Norbeck	Stephens
Caraway	Harrison	Norris	Sterling
Cummins	Heflin	Oddie	Wadsworth
Dale	Johnson, Calif.	Overman	Walsh, Mont.
Dial	Johnson, Minn.	Pepper	Watson
Dill	Jones, Wash.	Phipps	Willis
Fernald	Kendrick	Pittman	
Ferris	Keyes	Ransdell	

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, a quorum of the Senate is present. The Senator from North Carolina will proceed.

Mr. SIMMONS resumed his speech. It is in full as follows:

Mr. President, I think I shall follow the precedent established by the chairman of the Committee on Finance, the senior Senator from Utah [Mr. SMOOT], and ask that I be not interrupted while I am discussing this question. When I shall have finished, I shall be glad to answer questions.

Mr. President, in discussing the amendment I have just offered it may be opportune to review briefly the history of these income taxes. Prior to 1912, under the Republican Party, wealth went practically untaxed. Practically no specific levies were made against it. It is true that under the régime of Mr. Aldrich a small income tax was imposed on corporations, a tax of 1 per cent above an exemption of $5,000. The masses paid the taxes necessary to support the Government. With the exception of this little corporation income tax, wealth escaped taxation. It was a great privilege and put the masses at great disadvantage in the matter of taxation. The Democratic Party denounced this exemption as a special privilege accorded those taxpayers best able to pay, and when it came into power under President Wilson it proceeded to remedy the evil and to enact legislation abolishing discriminatory exemptions and to require wealth to contribute its fair share to the support of the Government. Naturally the beneficiaries of these exemptions wished them continued, and therefore resented the action of the Democratic Party in discontinuing them. They did not seriously complain when the war was on, but when it was over a campaign to reduce war taxes was inaugurated, not so much to reduce general taxes, but to reduce the taxes the Democrats, to equalize burdens, had imposed upon wealth.

Naturally in these conditions these people looked to the Republican Party to restore the discriminatory exemption the Democratic Party had taken from them. Therefore, to that end, in the 1920 campaign they mobilized all their resources and put them behind the movement to restore the Republican Party to power. What promises were then made or assurances given I do not know, but I do know that in the revision which was undertaken and accomplished in 1921, Secretary Mellon then demanded that surtaxes be reduced from 65 per cent to 25 per cent, as he now demands that they be reduced from 50 per cent to 25 per cent. He also suggested the reduction or elimination of certain so-called nuisance taxes, but it soon became evident that his chief interest was centered in the reduction of surtaxes. I also know that when the surtax rate was held at 50 per cent by the efforts of Democrats and progressive Republicans there was great disappointment on the part of Republicans and resentment and disgust on the part of the "interests." There were intimations that the "interests" claimed they had not received what they expected and what had been promised, and veiled apologies were made and assurances given that what they demanded would thereafter be granted.

Another election was approaching and the "interests" were doubtless demanding that something be done to make good the assurances and promises given after the disappointments of the revision of 1921. To meet these demands and arouse and rally to the Republican standard in the approaching contest these powerful forces of organized wealth something had to be done and done quickly, and the surplus in the Treasury afforded an opportunity for another revision. Accordingly a bill was prepared by the Secretary of the Treasury, known as the Mellon plan, and sent to Congress with what amounted to an emphatic demand from the Secretary of the Treasury and the President that it be passed practically without amendment. Undoubtedly if this plan could be put through as demanded and expected by its author, it would be eminently satisfactory to the interests demanding undertaxation and would have overcome the discontent growing out of the disappointing result of the revision of 1921. An attempt was made to camouflage the proposed reduction by advertising it as a measure in the interest of the mass of taxpayers. That fraud was soon exposed. By this time it is hoped that the sponsors for this unequal and discriminatory scheme of tax legislation have discovered that while fair and equal tax reduction is popular, undertaxing overgrown incomes is not favored except by its beneficiaries.

The interests which in 1923 demanded and now demand that their taxes be cut in two are also strenuously opposed to bonus legislation. I do not attribute this attitude as to the bonus to a lack of patriotism, but it is obvious that the large expenditures incident to a bonus might jeopardize or defeat tax reduction of the sort that they desire. Opposition to the bonus from this source was therefore but natural. It would interfere with, perhaps defeat, their supreme objective, which was to relieve wealth of its fair share of taxes.

Just before the adjournment of Congress in December, 1923, Mr. Mellon renewed his recommendation of 1921 and advised the Congress that instead of the deficit he himself had predicted there was a fat surplus in the Treasury and vigorously recommended the reduction of surtaxes to a maximum of 25 per cent, simultaneously warning the Congress against the bonus. Indeed, he told the people and the Congress that they must choose between tax reduction and the bonus.

It soon developed that the stage was set for the powerful, insidious, misleading propaganda which followed, not only in favor of the Mellon plan but against the bonus.

Simultaneously with the recommendations of the Secretary and the approval of the President, through all the agencies which the Treasury Department, the administration, the Republican Party organization, and the big interests could command, a nation-wide campaign was inaugurated to sell the dual scheme of the Secretary of the Treasury to the country. As was expected, both proposals appealed to the owners of big fortunes and big incomes. Under such circumstances it was not difficult to organize and launch the campaign then inaugurated to cut the taxes of the rich in two and kill the bonus.

Ubiquitous influences and agencies and the organized machinery of propaganda and publicity exercised or controlled by great wealth were quickly mobilized to put through this, to them, attractive program of the Secretary. No propaganda, no scheme of publicity, was ever more powerfully financed or more ably engineered and directed. On the other hand, the opponents of the program were unorganized. Their facilities of publicity were relatively meager. Under these circumstances the Mellon plan, both to untax the rich and to kill the bonus, had almost full possession of the field of publicity, and his schemes were subjected to the full test of public opinion and approval.

What has been the result? What has been the response?

The answer may be compressed into one sentence. No two propositions so powerfully backed have ever met with such an overwhelmingly crushing repudiation. The bonus so vigorously assailed, ridiculed, and spurned has received the emphatic indorsement of both Houses of Congress. The vaunted Mellon plan was able to command in the House of Representatives only about one-half of even the Republican strength of that body, and it is now known that its few sponsors in the Senate have abandoned hope, if they ever had any, and are fishing on both sides of the Chamber for a compromise. The overwhelming repudiation which this proposition has so far received is conclusive evidence of its utter lack of merit and of its amenability to the charge leveled against it of inherent iniquity and selfishness.

Repudiation of the Mellon plan does not mean that the people or their representatives are not in favor of tax reduction to the full extent, consistent with the public welfare.

But it does mean an emphatic disapproval of the so-called Mellon plan of accomplishing that result, and a rejection of

the assumptions and conjectures upon which the Secretary predicated his plan; and it does mean a repudiation of his suggestion that we could not have both tax reduction and a bonus.

I have denounced the Mellon plan—and that is the only plan of surtax legislation so far proposed by the majority, it is the plan before the Senate—as discriminatory in favor of the overgrown incomes of great wealth. That charge is the gravamen of our attack upon it. Therefore, before discussing this plan in detail, I deem it proper to state to the Senate in a general way the grounds upon which that charge is made.

It is not difficult to establish the fact that this so-called Mellon plan of surtax reduction clearly favors taxpayers with big incomes and clearly discriminates against the taxpayers with small incomes. It is not difficult to do it because it is written upon the face of the bill, if you will just take the time to make a mathematical calculation.

I have here a calculation of the average rates proposed by the Mellon plan upon the different groups of brackets in the bill. It shows that upon incomes less than $64,000 the Mellon plan makes an average reduction of only 22 per cent. On incomes in excess of $64,000 and up to $100,000 the Mellon plan makes an average reduction of 35 per cent—22 per cent reduction on incomes below $64,000, 35 per cent on incomes between $64,000 and $100,000, and a flat reduction on incomes in excess of $100,000 of 50 per cent! Reduced to percentages, this is a reduction on incomes in excess of $100,000 more than twice as great as on incomes below $64,000.

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. SIMMONS. I do.

Mr. BROOKHART. In addition to that, is it not true that the last Congress reduced those upper brackets 15 per cent without reducing the lower ones?

Mr. SIMMONS. Yes; I will get to that later. I am talking now about the reductions from the present law.

Mr. BROOKHART. That is the true situation as to the reductions since the war taxes.

Mr. SIMMONS. Yes.

There is the evidence of our charge. It is written in the bill. It can not be camouflaged. It can not be evaded. It can not be explained. It condemns the Mellon plan as a gross, flagrant attempt to pervert legislation from the channels of public welfare into the channels of private selfishness and greed.

Carrying out the minority theory that surtax reductions should be based upon the fundamental principles of ability to pay—a principle we hold sound politically, economically, and philosophically—I offer on the part of the minority the substitute amendment for the Mellon surtax rates that I have just presented. I shall now discuss this amendment with some degree of detail and elaboration.

In the beginning of the propaganda for the Mellon plan Democrats were charged with opposing tax reduction when they denounced that plan as unfair and discriminatory, and a part of the public were temporarily deceived.

The people now understand both our position and that of the advocates of the Mellon plan. They know that the Democratic Party, in and out of Congress, stands for reductions to the full extent compatible with the Government's needs and the public welfare. They know that it demands that these reductions should be accomplished in a way that will be fair to the people as well as the classes, to the masses as well as the interests, to the small as well as the big income, and against reductions which unduly favor big and discriminate against small incomes.

The plan of reductions the minority proposes is based upon the traditional Democratic principle of ability to pay. The plan of the majority, the so-called Mellon plan, reverses that principle. It gives the greatest reduction to the man who is best able to pay and the least reduction to the man who is least able to pay.

Before discussing the details of the surtax substitute, I wish to advert to the grounds upon which Mr. Mellon and his followers base their arguments and contentions for a 50 per cent cut in the surtax rates of the present law, and the manner of distributing these reductions.

First, the Secretary of the Treasury contends that the Government will get more revenue from a 25 per cent than a 50 per cent surtax maximum. This contention would seem upon its face to be wholly illogical. This fact seems to have been recognized by the Secretary for the reason that he seeks to differentiate it from the ordinary rule by the claim that the 50 per cent maximum rate can not be effectively enforced because of evasions induced, as he claims, by the alleged excessively high surtax rate. This contention is based upon the assumption that unless these taxes are reduced to the extent he proposes investments will be withdrawn in the future, as he claims they have been in the past, from productive industries and put into tax-exempt securities, and that the result will be disastrous in the future, as he claims it has been in the past, to business prosperity and to the revenues of the Government.

The evidence offered by the Secretary to establish this contention is, first, alleged wholesale investment in tax-free securities to escape surtaxes; secondly, the decrease in the number of individual income-tax payers and the decrease in revenues received from individual incomes; third, business depression resulting from these alleged evasions.

The answer to these contentions, to my mind, is not difficult. First, as to the alleged withdrawal of capital from productive investment and its effect on business: The Secretary claims, as I understand him, not that this scheme of evasion will be inaugurated unless his plan is adopted but that it already obtains and is now going on and has been going on for some time. The rate which now obtains, and which has obtained since 1921, is 50 per cent. Do the conditions of business during this period support the Secretary's contention? Do they show a lack of prosperity or the serious embarrassment to our productive industries which the Secretary portrays? I think not.

Is there anything in the business situation of the past 18 months to justify or confirm the Secretary's contention with respect to the disastrous effect of rates 10 per cent higher than those proposed in the substitute I have offered?

Manifestly the facts of the situation do not sustain his contention, but refute it. Under a 50 per cent rate, the year 1923 was one of great prosperity; one of the most prosperous in our history; business was unusually brisk and profits large; earnings of corporations phenomenal; money for all sound enterprises plentiful; interest rates moderate.

What has happened to change so radically the situation? What has suddenly developed that makes it impossible, unless the plan of the Secretary is adopted, for the business interests of the country to proceed and continue upon the same level of prosperity as during the past year or two years? Certainly the temptation to take money out of productive industry was just as great—yes, greater—under the existing rate of 50 per cent than it will be under the 40 per cent rate we propose for future years. The truth is the Secretary has set up a bogey man, and his whole argument is predicated upon a myth.

Mr. President, neither the evidence presented nor the records of the Government sustain the claim that large sums have been thus diverted to tax-free securities.

The Government reports, which have already been presented to the Senate, conclusively refute this contention of the Secretary and his followers. There has been no sufficient answer to the record evidence in refutation of that contention presented to the Senate by the Senator from New Mexico [Mr. JONES] a few days ago in his very able speech in opposition to the Mellon rates.

I assume that in the year 1922, which I think was the year to which the statistics offered by the Senator from New Mexico applied, the number of rich men who died was about the average. I do not remember now exactly how many estates valued at amounts in excess of a million dollars were included in the table of decedents of that year presented by the Senator, but I remember that the total gross value of the estates listed for estate taxes in that year were not much below $3,000,000,000. My impression is that quite a large number of these estates were in excess of $1,000,000. The aggregate included estates of many men who while living were engaged in large business enterprises, as well as the estates of men whose business was relatively small. The official reports show that of the nearly $3,000,000,000 gross value of these estates the tax-exempt securities included were barely sufficient to defray funeral and administration expenses.

When the proponents of the Mellon plan ask that surtaxes on big incomes be reduced 50 per cent upon the ground that existing rates are forcing money out of productive channels into tax-exempt securities, it is incumbent upon them to present some reliable and tangible evidence, something more satisfactory and persuasive than assumptions and finespun arguments, to show that the alleged plan of evasion is systematically practiced and that it has attained such proportions as to jeopardize the industrial and business prosperity of the country. I submit that the Congress should not be asked to make the

sweeping and drastic cut in surtaxes proposed by Mr. Mellon in the interest of a small number of taxpayers, especially when the beneficiaries are those best able to pay taxes, unless the reason assigned for the reduction is proved and established to the satisfaction of the Congress.

Now, I do not overlook in this connection the arguments and conclusions in this behalf based on the fact that the number of individual income-tax payers has decreased and that the receipts of revenues from this source have likewise declined. It is probable that the facts as to such decreases are as contended by the Secretary, but the reason is not the one assigned by him and by the majority. If these decreases are due to successful efforts to evade surtaxes, the evasion commonly resorted to to accomplish this end is not investment in tax-free securities but evasions of an entirely different and much more attractive character, many of which the Treasury Department could probably have circumvented if it had been as keen to collect money out of the big interests for the Government as it is now to reduce their taxes.

If the Secretary has assigned the correct reason for it, if the decline in the number and in the incomes of individual taxpayers is the result of investment of funds in tax-free securities, then, of course, there is force in the suggestion. But what is the evidence of that? There is no convincing evidence that these decreases have resulted from tax evasion by the device of investment in Government securities, but there is evidence of the most satisfactory character of a wide tendency toward investment in corporations and toward the incorporation of individual enterprises because of opportunity which the corporate method affords to evade surtaxes by nondistribution of surplus earnings.

The method I have just pointed out obviously offers far greater and more attractive opportunities of evasion than investment in tax-free securities, opportunities that the evidence shows are systematically resorted to. The record of the results of these methods shows a state of facts which—approximately, at least—accounts for the decreased number of individual surtax payers and the decreased amount of revenue derived from that source. These evasions, as I indicated, can be traced to the laws and practices of corporations respecting their surplus earnings. The normal tax imposed upon corporation incomes under existing law is only 12½ per cent. That part of the income not distributed pays no surtax. This fact makes investment in corporations very tempting and attractive to surtax dodgers. It has resulted in large increases in undistributed surpluses, and it has also resulted in the systematic establishment of holding companies who hold the stock of the mother corporations and furnish a barrage to protect their earnings against the surtax gatherer. More than this, individuals engaged in productive enterprise find they can escape surtaxes by incorporating their businesses and retaining their earnings. The opportunities to escape surtax through these methods are almost unlimited and they have largely revolutionized the method of conducting business operations of considerable size.

As a result more than one-half the earnings of corporations escape surtax. Official records show that the undistributed surplus earnings of all corporations amount to about $19,000,000,000, as I recollect it—almost as much as the entire national debt. The success of this scheme of incorporation to evade surtax has been so great that it has tempted individuals to incorporate their individual business and to withhold their surplus earnings from distribution. The effect of this is to escape all tax except the 12½ per cent normal tax now imposed on corporations. Surely this situation could not have escaped the attention of the Secretary, and it is very significant that he should have confined his recommendations to legislation to prevent evasions by investment in tax-free securities and overlooked these much more extensively and effectively employed plans to accomplish the same result.

Realizing the importance of this matter, the minority members of the committee, after much study and deliberation of the question, have offered an amendment which, if adopted and effectively enforced, will go far in defeating these schemes which have so successfully evaded the payment of surtaxes and furnished a refuge for individual taxpayers who wished to escape their obligations, and which largely account for the decrease in the number of individual taxpayers and in the revenue derived from individual incomes.

Mr. President, I desire permission, without reading, to incorporate, in connection with the argument I have just been presenting in reference to corporate undistributed surplus, a table showing the earnings of corporations which are not distributed and which escape surtaxes.

The PRESIDING OFFICER. Without objection, permission is granted.

The table referred to is as follows:

Corporation statistics, 1923 income

[From Senate Document 85]

	Number	Net taxable income	Cash dividends	Surplus and undivided profits on hand at end of year
Corporations paying cash dividends	49,207	$4,485,056,843	$2,781,865,137	$15,208,522,345
Corporations paying no cash dividends	30,418	904,217,485		4,078,223,702
Total	79,625	5,389,274,328	2,781,865,137	19,286,746,047
Additional returns, data, however, fragmentary	29,688	1,197,500,436	249,459,248	(1)
Grand total	109,313	6,586,774,764	(1)	

[1] Unknown.

Segregation of industries among corporations, 1923

Industry	Number	Net income
Agriculture and related industries	1,603	$57,420,704
Mining and quarrying	2,982	272,099,590
Manufacturing	28,841	3,336,464,364
Construction	3,552	85,008,281
Transportation and other public utilities	5,776	874,616,097
Trade	31,106	939,629,578
Service	5,800	137,841,148
Finance	29,223	845,996,531
Others	430	37,707,471
Total	109,313	6,586,774,764

Mr. SIMMONS. Mr. President, the surtax amendment presented by the minority, as I have previously intimated, is based upon the Democratic theory of equalizing taxation upon the principle of ability to pay. Acting upon this principle we have applied very low rates, relatively speaking, to small incomes as compared with the rates imposed upon large incomes.

Upon incomes below $64,000 we have made reductions much greater than those provided by the so-called Mellon plan presented by the majority, and we have made reductions somewhat less than the Mellon plan on incomes between $64,000 and $100,000. We have, however, carefully graduated the reductions.

As the income increases from $100,000 upward the reductions we make are greatly less than those made in the Mellon plan, so that when we reach the maximum of 40 per cent at $500,000 the reduction from that point upward amounts to only 20 per cent from the present law as against 50 per cent under the Mellon plan as reported by the majority.

In making these proposed reductions the minority have given full consideration to two important facts.

First and foremost, as I have heretofore said, the principle of ability to pay.

A tax of $100 to a man whose income is only $5,000 or $6,000 is a heavier tax than a tax of many times that amount to a man whose income is $50,000 or $100,000, and the disparity increases as the income increases. If this principle be correct in imposing taxes, it is equally correct in reducing taxes.

But there is another consideration of determining influence which received our consideration and influenced our action. It is this: The large incomes of the country are made chiefly through the so-called productive industries, whether conducted by individuals or corporations. It has been said, and truthfully said, that it is difficult to impose a tax upon these industries that can not be passed on to the consumer, whether it be a revenue tax or a tariff tax, and that statement is true of practically all of these taxes except an income tax. Of all taxes income taxes are most difficult to pass on. To the extent that the taxes imposed by the Government can be passed on they impose but little financial burden, though some inconvenience, to the original taxpayer. This is true of tariff as it is of internal-revenue taxes. But the earners of small incomes are chiefly salaried men, artisans, mechanics, craftsmen, employees, laborers, and, under present conditions, farmers, who have nothing to do with fixing the price of their products and therefore can not pass on to others the burdens of government which are imposed upon them by taxation. These are the people who have to pay the taxes that are passed on to them by those who are more fortunate and whose incomes are large. They are the people who pay the excise tax in the last analysis imposed upon the industries; they are the people who in the last analysis pay the miscellaneous taxes; they are the people who pay the tariff

taxes imposed for the benefit of large productive industries. The tariff levies alone are estimated to cost the consumers of the country $3,000,000,000 annually. Therefore in distributing reductions in income taxes, practically the only tax which can not easily be passed on, we thought justice suggested that a larger proportionate reduction should be given to small than to large incomes.

There is another circumstance that appealed to us. In the reduction of war taxes made in 1921 large incomes were relieved to a far greater extent than small ones. The excess-profits tax upon corporations was repealed, thus remitting to them over $400,000,000 in taxes and thereby to that extent increasing the incomes of the individual stockholders of those corporations. The reductions then made in individual income taxes amounting to over 20 per cent inured chiefly to the benefit of the larger taxpayers. The total of reductions then accorded to the larger incomes was between five and six hundred millions of dollars, while the total reductions on small individual incomes were relatively very small. If the Mellon plan should pass, the big incomes would again get the lion's share of the reductions. Indeed, it is now apparent and generally recognized that the paramount objective of this Mellon scheme is to reduce the surtaxes of the big taxpayers. For this reason we felt that in the reductions now to be made special consideration should be accorded to that class of income-tax payers who were unjustly discriminated against in the 1921 revision. For these reasons the reductions we have made on incomes of less than $64,000 are much greater in percentage than those made under the Mellon plan or those proposed in any other plan that has been suggested.

While the reductions made in the minority plan upon the lower brackets are much greater than those of the Mellon bill, those upon incomes between $64,000 and $100,000 are substantially less than those of the Mellon plan, but they are carefully graduated downward.

The general result is that a taxpayer with an income of $100,000 will pay under the minority plan a surtax of only about $2,900 more than under the Mellon plan. While under the minority plan the tax rate upon an income of this size is 36 per cent, the amount of tax actually to be paid upon an income of this size is only 17.2 per cent. This is because in computing the tax upon each income the taxpayer gets the benefit of all the lower rates in the lower brackets; that is to say, upon the first $2,000 of his income he pays the rate fixed in the first bracket, which is 2 per cent normal and no surtax, upon the next $2,000 the same reduction, and so on through all the intervening brackets. Under the minority plan the total tax upon $100,000 income is $17,020, which evidently is only 17.02 per cent.

The great bulk of business—the so-called productive industries—is owned and operated by men whose individual incomes do not exceed $100,000. These are the men Mr. Mellon, the Secretary of the Treasury, claims should be safeguarded against a deterring surtax and a rate that will subject them to the temptations to evade the law or withdraw their capital from these enterprises for investment in nonproductive securities. While we do not accept either the statements of facts or the reasoning of the Secretary, we have recognized the fact that by far the larger part of the competitive business of the country is operated or controlled by individuals whose incomes do not exceed $100,000, and for that reason we have accorded liberal reductions to this class of income-tax payers.

When we get above $100,000 we soon reach the domain of the enormously rich, the realm of the overgrown trusts and monopolies that dominate business and politics, stifle competition, crush small competitors, drive out of productive channels millions invested in private competitive enterprise, and exploit the masses at will. Most of these enormous individual incomes can be traced back to these great monopolies, and the great dividends accruing from these monopolies are in part the fruits of tax evasions, such as undistributed surplus; of great benefactions at the expense of the masses, such as tariff bounties; monopolistic exploitation of the consumers of their products; and the heartless smashing of private competitors. These powerful and overweaning combinations, whose profits make possible these enormous incomes, have driven and are driving more capital out of productive channels than any and all other determining causes, including the Mellonites' bogy of tax-exempt securities.

Ought not the beneficiaries of these great incomes derived through monopolies fostered by privileges and exemptions to be taxed at a much higher percentage rate than the man of relatively small income and whose income is made in active, wholesome competition with his fellows and represents largely the earnings of personal industry, initiative, effort, and toil?

I can not agree with my Republican colleagues on the Finance Committee that it would be either fair or just to the great mass of taxpayers to make a second drastic cut in the taxes of a few thousand taxpayers whose great incomes make it possible for them to pay the taxes now imposed and yet prosper beyond the dreams of avarice. For these reasons we have felt that the chief beneficiaries of the reduction should be, and we have given it to, the taxpayers whose incomes do not exceed $100,000.

Mr. President, I have heretofore stated the average reductions made under the Mellon plan. I now wish to place in juxtaposition the reduction under the two plans. I ask that the table which I have in my hand and which states the per cent of reductions in parallel columns may be published as a part of my remarks.

The PRESIDING OFFICER. Without objection, it will be printed in the RECORD.

The table referred to is as follows:

Average reduction of surtax rates from the 1921 base

Income	Mellon plan	Simmons plan
	Per cent	*Per cent*
Less than $64,000	22	28
$64,000 to $100,000	35	24
$100,000 to $200,000	48	23
$200,000 to $500,000	50	22½
Over $500,000	50	20

Mr. SIMMONS. Under the Mellon plan incomes less than $64,000 are given an average reduction of 22 per cent. Under the minority plan they are given an average reduction of 28 per cent. Incomes between $64,000 and $100,000 under the Mellon plan are given a reduction of 35 per cent, and under our plan 24 per cent. It will be seen that upon these lower incomes, up to $64,000, our reductions are much greater than the Mellon reductions. Upon incomes from $64,000 to $100,000 our reductions are less than the Mellon reductions.

From $100,000 to $200,000 the Mellon plan gives a reduction of 48 per cent, the minority plan a reduction of 23 per cent, still proportionally very much less than the Mellon plan. Incomes are getting very large when they reach $200,000.

From $200,000 up the Mellon plan gives an average reduction of 50 per cent, while we give an average reduction of only 22½ per cent.

From $500,000 up—there is where we reach our maximum—we give a reduction of 20 per cent to all that vast wealth that is in the higher domain of finance and of business; but the Mellon plan, while giving only 22 per cent reduction to the small taxpayer whose income is less than $64,000, gives to every taxpayer whose income exceeds $200,000 a flat reduction of 50 per cent. The minority amendment gives to incomes in excess of $500,000 a reduction of only 20 per cent.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. SIMMONS. Yes; I yield.

Mr. REED of Missouri. The Senator's statement is very clear to those who understand the bill, but of course he means to say that the man with the $500,000 income gets upon that income exactly the same rate of taxes as the man with the small income on that proportion of his income which is within the lower brackets, and is only on that part of his income which is in excess of $500,000—using that for illustration—that he pays the higher rates. The Senator's idea is perfectly clear, but his language on that point might have been misconstrued.

Mr. SIMMONS. I will correct the mistake, Mr. President. I might as well right at this point—it is an appropriate point to do it—make some explanation with reference to the manner in which these surtaxes are assessed and calculated.

The percentage rate of taxation upon an income of $100,000 in the minority amendment is 36 per cent, but that does not mean that the taxpayer with that income will have to pay 36 per cent of his income in taxes. As a matter of fact, the tax he will actually have to pay will amount to only 17 per cent of his total net income, and the table as worked out in the substitute amendment shows that the taxes to be paid upon that income are only $17,020, which is only 17.02 per cent.

It is difficult for the ordinary man who has not studied these questions to understand how that result follows the rate imposed. It follows in this way, Mr. President:

The man who has $100,000 income gets the full benefit of the reduction given to every small taxpayer in every

lower bracket. That is to say, in calculating the amount of tax to be paid on the $100,000 income, it is divided up into parts, and the taxpayer is given the benefit of the lower rates of every bracket below the $100,000 bracket. As a result of that process the amount of tax actually to be paid upon an income of $100,000 is not 36 per cent, the rate of that bracket, for the reason, that by getting the benefit of the rates of all the lower brackets the 36 per cent will only apply to the $2,000 in the 36 per cent bracket. I wish to insert at this point a table prepared for me by Mr. Joseph S. McCoy, the Actuary of the Treasury, showing how the surtax on incomes of $100,000 is calculated under the law:

Surtax on $100,000 net income

Total net income, increasing by tax brackets	Mellon plan				Simmons plan		
	Amount	Rate	Tax on each bracket	Total tax	Rate	Tax on each bracket	Total tax
		Per cent			*Per cent*		
$10,000	$10,000	0	$0	$0	0	$0	$0
$12,000	2,000	1	20	20	1	20	20
$14,000	2,000	2	40	60	1	20	40
$16,000	2,000	3	60	120	2	40	80
$18,000	2,000	4	80	200	3	60	140
$20,000	2,000	5	100	300	4	80	220
$22,000	2,000	6	120	420	5	100	320
$24,000	2,000	7	140	560	6	120	440
$26,000	2,000	8	160	720	7	140	580
$28,000	2,000	9	180	900	8	160	740
$30,000	2,000	10	200	1,100	9	180	920
$32,000	2,000	11	220	1,320	10	200	1,120
$34,000	2,000	12	240	1,560	10	200	1,320
$36,000	2,000	13	260	1,820	11	220	1,540
$40,000	4,000	14	560	2,380	12-13	500	2,040
$46,000	6,000	15	900	3,280	13-14-15	840	2,880
$52,000	6,000	16	960	4,240	16-17-18	1,020	3,900
$58,000	6,000	17	1,020	5,260	19-19-20	1,160	5,060
$64,000	6,000	18	1,080	6,340	21-21-22	1,280	6,340
$70,000	6,000	19	1,140	7,480	23-24-25	1,440	7,780
$76,000	6,000	20	1,200	8,680	26-26-27	1,580	9,360
$82,000	6,000	21	1,260	9,940	28-28-29	1,700	11,060
$88,000	6,000	22	1,320	11,260	30-31-31	1,840	12,900
$94,000	6,000	23	1,380	12,640	32-33-34	1,980	14,880
$100,000	6,000	24	1,440	14,080	35-36-36	2,140	17,020
Total			$14,080			$17,020	

The average rate of surtax on a net income of $100,000 under the Simmons rate is only 3 per cent larger than the Mellon rate. The above table shows the method of computing the surtax.

Our rates are brought closer into the range of Mellon's rates by reason of the fact that our rates upon the first $64,000 have been largely reduced as compared with the Mellon rates, and the taxpayers whose incomes are above $64,000 will get the benefit of those reductions; so that getting the benefit of our higher reductions upon the low incomes brings the amount of the tax to be paid when we get to $100,000 income closer to those of the Mellon plan than the per cent rates of that bracket indicate. The amendment I have offered will reduce the taxes on a great many more taxpayers with incomes of less than $100,000 than the Mellon plan.

Mr. President, when the Nation was in the throes of war, and had to tap every available source of possible national income the Democratic Party, which then held the reins of government, apportioned the burden upon the broad philosophic principle of ability to pay. We paid probably one-third of the colossal expenditures incident to that great struggle from current taxes. The rest of the stupendous outlay we borrowed, and by far the greater part of that sum still hangs over us unpaid. The war is now over, but the war indebtedness still endures and must be paid. The only way open to us to pay it is by taxation. We can reduce taxes from time to time, but we can not get to a normal peace-time basis until we shall have liquidated these emergency borrowings.

In 1921, shortly after the advent to power of the Republican Party, Congress made a substantial reduction, but the reduction was not apportioned upon the theory of ability to pay but upon the contrary theory that if those able to pay are relieved from their burdens they will create a condition that will enable the weak to bear those burdens for them, and that enlightened statesmanship and sound business demanded this shifting of the burden. In other words, the Republican majority seemed to proceed upon the theory that the way to prosperity was to untax wealth and give it a free hand. But you can not untax wealth without transferring the burden thus lifted to the shoulders of the masses. Acting upon this unjust and mistaken theory in the 1921 revision the lion's share of the reductions was given to those whose ability to pay was greatest and, as I said before, overgrown wealth was relieved of between five and six hundred millions of dollars of war taxes.

Now, another opportunity is given to make a small additional reduction, only about $300,000,000, and wealth again seizes upon the opportunity to demand that their remaining taxes be cut half in two. Undoubtedly it is our duty to reduce taxes to the full extent compatible with the requirements of the Government, but undoubtedly it is equally our duty to distribute the reductions fairly, and if former reductions have been unequal, to repair that injustice as far as conditions will permit in the reductions now to be made.

The action of the minority in framing the substitute now presented has given due consideration to all the facts and conditions of the situation and has endeavored to be just and fair in their treatment of all classes.

Mr. President, in the observations I have made to-day with reference to the discriminations in favor of wealth, whether individual or corporate, I do not wish to be understood by my colleagues in the Senate or by the country as inveighing against wealth.

I have no prejudice against wealth. I have never had any. I would not knowingly do an injustice to a rich man any more quickly than I would to a poor man. But I can not give my consent to any legislation which in my judgment is discriminatory and therefore unjust and violative of that great and fundamental principle of equality in the benefits and burdens of government.

Mr. McLEAN. Mr. President, the Senator from North Caroline [Mr. SIMMONS] has just addressed the Senate in defense of the minority plan, so called, for a revision of the revenue act. He has expressed the views of the minority with great ability, as he always does when he undertakes to discuss an important question. He had for his audience six Senators a part of the time, but most of the time when I was in the Chamber he addressed himself to only three or four Members of this body. I am not surprised. We all know that the Democratic Senators held a caucus day before yesterday and decided almost unanimously to repudiate the revenue plan recommended by the Secretary of the Treasury, that they decided to maintain the high surtaxes and, in addition, to protect all the avenues through which the interests, so called, could escape the payment of their legitimate taxes.

I realize that further debate on the bill is a sheer waste of time. The minds of Senators on the other side of the Chamber and upon this side are already made up. The matter has been discussed a long time and agitated and argued, and we might just as well dispose of the bill on Monday next as to continue the discussion any longer. But as a member of the Committee on Finance, I have taken some interest in the measure with the hope that we might secure the adoption of amendments to the present law that would be approved by well-recognized authorities on the subject, the impartial, disinterested students of the subject who have no political axes to grind, no seat to keep, hoping that we might adopt a plan in a measure consonant with experience and common sense. I have, as I said, taken some interest with the other members of the committee in the endeavor to recommend such amendments as would really improve the present law. But I realize that our labors have been in vain. Still, as I have said, as a member of the committee I feel it my duty to offer a few general observations upon the question of taxation.

Mr. President, there was a period in our history when taxes were high and good money was not to be had. In some sections the only coin in circulation was the copper penny. During this period there was some concern in Connecticut as to what would happen to the exchanges when the copper mine in the town of Simsbury should fail to produce ore. There was a time when our grandmothers made cloth of wool, and when the rickets and other diseases threatened to exterminate their flocks they shook their heads at the prospect. There was a time when the bean weevil, which threatened to destroy the field bean, caused great consternation in New England, and especially in the thickly settled parts of Massachusetts. My grandfather wrote his sermons with the aid of a whale oil lamp, and he used to wonder what the good ministers would do for light when the whale crop was exhausted.

We still have money and cloth and light and beans.

If a Rip Van Winkle should awaken to-day from a century nap he would find much that is new and worth having under the sun and not much of anything old except the weather and human nature. And the weather has materially changed for the better since the glacial period. It is much better in some respects than it was in the days of Noah. Human nature has improved greatly since the Javanese gentleman ate his neighbor

for breakfast, but it is true that the homo sapiens still finds his greatest comfort in unnecessary worry.

Mr. President, I have heard so much in the last few months about back-breaking burdens and unnecessary taxes that I thought I would see if I could find a silver or at least a copper lining to our revenue cloud. The Senator from Virginia [Mr. GLASS] in his brief but earnest argument against the soldiers' bonus, graciously conceded to those who disagree with him an honesty of conviction equal to his own.

The Senator from Idaho [Mr. BORAH] in his eloquent and impressive criticism of things in general and the soldiers' bonus in particular, admitted that the hardships which the farmers and others are suffering to-day could not be attributed to a law which has not yet become a law. But realizing, as I do, that when the adjusted compensation bill becomes a law all of our subsequent misfortunes will be laid at its door, I shall take this opportunity to call attention to some of the things that I think we ought to be thankful for, some things we may well worry about, and all of which I think have an intimate bearing upon the payment of our legal and moral obligations and the best way to raise the necessary funds.

President Coolidge, in his Washington's Birthday address, told us, among other things, that the institutions which Washington founded can not be maintained unless we accept responsibilities and make sacrifices, and that "under all the laws of God and man there is no other way." A great truth this—bravely spoken by a brave and wise man. I wish the President had gone a little further and told the American people how comparatively easy it would be for them to bear their tax burdens if they would meet their responsibilities with a fair modicum of the fortitude with which the Father of his Country met his.

The fact is, no people in all history have had as few economic ills or as many economic blessings as is the lot of the American people at this hour. The average man to-day has and can afford to have many comforts which the rich did not have in Washington's day and for the simple reason that they did not then exist. The purchasing power of the average day's work to-day is more than four times what it was when Washington was a boy. Seventy per cent of the national income goes to individuals who receive less than $5,000 a year. Eighty-five per cent of the American people pay no Federal taxes. More than 15,000,000 automobiles are now registered in this country. The American people own and operate 77 per cent of the automobiles of the world. Less than five millions of people have incomes large enough to call for an income tax, and yet thirteen millions have incomes large enough to own and operate automobiles.

In the list of luxuries purchased in 1923, which I quoted the other day, totaling $24,000,000,000, I did not include a half billion dollars invested annually in fake securities. I am not criticizing expenditures—that is not my concern. I am simply calling attention to the fact that they indicate a degree of prosperity never before enjoyed by any people anywhere. These vast expenditures for things not necessary to a comfortable existence clearly demonstrate that the American people can pay their war obligations without adding a single ill to existing conditions if they will meet the tax problem with courage and foresight.

In the first place and at all times we must bear in mind that while the killing phase of the war is over the debt-paying phase is at its height. There are no more death lists for anxious mothers to read. The guns are silent, but the tax-paying battles of the war are still to be won and, of course, must be won. We remember those striking lithographs that were posted on the corners of our streets to encourage investment in the Victory loan; that rugged, patriotic workman putting his hand into his pocket and exclaiming, "Yes, I'll see it through." All praise for what he did then, and yet he was simply making the best investment of his life. From 1914 to 1919, most of us were as deeply interested in making our bit as we were in doing it. In other words, our sacrifices were largely measured in constantly increasing profits and wages. If we spent less freely than before, we put our surplus into safe investments. A few of us went without beef and gasoline one day in the week. There were a few noble men and women who made real sacrifices, but the great mass of the American people boomed the market for flags and everything else. At the end of the war we found that our wealth as a Nation had doubled; the purchasing power of the dollar was reduced, but the fact remains that the average day's work to-day will buy four times the food and clothing that it would 80 years ago.

Wages are now eight times what they were in 1843 and that is the reason why the American people can spend and do spend so many billions of dollars for things that are not necessary to sustain life in comfort. I believe in good wages and good prices—I simply want to urge the fact that with all our taxes we as a nation are more prosperous than ever before in our history and more prosperous than any other nation is or ever has been.

If the American people could be taken back to the colonial days or to the last quarter of the eighteenth century and compelled to live for two days as their forbears lived, at the close of the first day of this experience they would, upon their bended knees, beg to be returned to the United States of 1924, with all its taxes and other troubles. Anyone who is familiar with the debts and tax rates and other trials and burdens borne by those who won and gave to us the garden spot of the earth can have little patience with the men and women of to-day who, living in luxury and leisure, are prone to shirk the comparatively light responsibilities of the present hour. The fact is the generations of the American people above 21 years of age living at the time the war began in 1914 knew nothing about taxes and to-day about all the average man knows about taxes is that he wants them reduced. The prevailing idea seems to be that taxes are of unwise and evil origin. During my service as a member of the Committee on Finance I have heard from no one who feels that his tax is just or necessary. The moving pictures throughout the country and many other ingenious devices are employed to create and spread the belief that Congress is willfully negligent in that it does not immediately abolish taxes and grant liberal appropriations to help those sections of the country where profits are unsatisfactory.

If we spent $24,000,000,000 in luxuries in 1923 we must add at least $2,000,000,000 to such expenditures in 1924; and we must remain able to pay any and all kinds of prices for the things we think we want. When we indulge in our favorite fad we get a run for our money, as the sporting gentlemen say, and while we would like to have the tax or price we pay for a Rolls-Royce or a joy ride in a Ford reduced, being good sports we raise the necessary lucre. We scold about it and then we do the best we can to get even by raising the price of the things we have to sell. But when we are called upon to pay into the common purse money for the common good our sporting blood suddenly becomes cold. Rachel weeping for her first-born has nothing in the grief line on the gentleman who delivers his fat income baby to the tender mercy of the collector of internal revenue. It has been estimated that the amount of money spent every year in attempts to have taxes cut or evaded is 40 per cent of the total tax collected. This can not well be avoided. And yet with all the taxes that we pay and all the money that we pay lawyers and experts and others to help us avoid taxes, we have more money left each year with which to gratify our sporting proclivities.

During the war we did not look with much favor upon the pacifist or the boy who tried to escape enlistment. We called them "slackers," and yet a large number of the American people to-day seem to have conscientious or other scruples against paying the cost of saving the life and honor of the Nation.

I shall try to make it clear that we can pay our debts, legal and moral, and cut taxes so they will stay cut if the American people will face the situation in a spirit of intelligent selfishness. The biologists and sociologists tell us that we are losing the pioneer spirit which made us what we are; that our prosperity is becoming too heavy for our inherited capacities; that the spending habit is getting the better of the earning habit; that we are growing weaker physically, morally, and mentally, and instead of looking for salvation in the only direction it is to be found, instead of rallying around the man who carries the flag of self-reliance and individual responsibility, we are demanding that Congress stay the inevitable consequences of our physical and spiritual regression. Some of the gentlemen who are voicing this demand denominate themselves as progressives. I do not attempt to define a progressive, but I am confident that the time has come when a conservative may rightly be classed as one who defends sound principles after they have become unpopular.

The laboring man fails to realize that his most valuable tool is capital; that we can not progress industrially unless production capital increases progressively. High wages depend upon large sales at reasonable profits, which in turn require large production units. He looks upon a great factory as representing great riches, permanent wealth, but a factory that is not running at a profit is worth nothing, or less than nothing, to the owner, and the larger the factory the greater the loss. All bills in the final accounting are paid out of the national income. If the laboring man understood this subject he would demand that all taxes be collected from sources that will to the least degree directly or indirectly reduce the amount of capital required to keep the great industries in a healthy financial condition.

No estate, inheritance, or capital tax should be greater than one year's income. The right to transmit large estates by will to lazy, extravagant children is looked upon with increasing disfavor by the masses of the people. The insolence of inherited wealth, its supine self-worship and arrogant assumption of superiority, are a growing offense in the eyes of all right-minded people. We find in the estate and inheritance tax a weapon with which we can easily confiscate swollen fortunes and turn them into the Public Treasury, but the nation that permits itself to use the taxing power to equalize existing inequalities in the distribution of capital will soon find itself in a state of universal poverty. An estate or succession tax of 20 per cent during a period of hard times would close 50 per cent of the productive industries of the country if the owners should die during that period. Moreover, if estate or succession taxes are high the successful business man, anxious to provide for his children, as soon as he has accumulated a moderate fortune will be tempted to close up his business and invest his accumulations in tax-exempt securities. Inheritance taxes and estate taxes should be left to the States, where they will be fairly constant and moderate, otherwise great injustice will be done to those who die or inherit during a high-tax period.

The Federal Government should look for its income to annual profits, net incomes, and stamp and consumption taxes. The economists tell us that we can not charge surtaxes to the cost of production, that we can not shift such taxes or taxes on profits to the consumer. They are right in theory but they all admit that when we consider the effect of surtaxes and high income taxes, while they can not be shifted they prevent reduction in prices. Consequently, the consumer would be much better off with a light turnover tax which he can see than he is with an invisible tax of from 5 to 15 per cent upon many things that he buys.

There would seem to be an element of justice in distinguishing between an earned and unearned income, but when we go back a decade and ascertain the effect of the war upon earned or funded incomes, we shall find that the inequalities which would result from a lighter tax on earned incomes would be far greater than would result if we make no change in the existing law. The war laid a tax upon unearned incomes of nearly 40 per cent by reducing the purchasing power of the dollar to 60 cents. The man who worked hard all his life and left $50,000 to his widow in 1914 belongs to a class that was severely penalized by the war. The income of the widow, measured in dollars, has not increased. If it was a 5 per cent investment she gets $2,500 a year, and her dollars will not purchase as much by 40 per cent as they did in 1914. On the other hand, wages, fees, and all current expenses have been doubled by the war. When we take a sane and just view of the tax problem we should unhesitatingly collect, and collect now when prices are good, money enough to meet current expenses and provide for an ample sinking fund, and we should collect this money from profits, annual profits, and consumption taxes on luxuries or a small turnover tax on all sales. While it is true that a sales tax will be proportionately heavier on the man of small income, the surtax and other taxes upon the larger incomes will fully offset this disproportion.

It does not follow that an unpopular tax is an unwise or an unjust tax. In my desire to reach a wise conclusion as to which one of the many pending taxation plans I should support I have found it profitable to consider some of the experiments that have been tried before my time. As one who still believes that experience and the rule of three have their uses in the drafting of revenue bills, I have been interested to note the evolution of our present system of taxation. I have been greatly impressed by the diversity of opinion upon this subject that has emanated from our statesmen, and I have noted without surprise that in former days as now lawmakers have easily denounced unpopular taxes as unwise and unscientific and as easily have given their sanction to those cash-producing processes that have left unmolested the majority of the voting population.

Mr. President, for the sake of the CONGRESSIONAL RECORD, which the Senator from Utah [Mr. SMOOT] says is being widely perused at this time, I shall now call attention to a few items in history which have greatly fortified my view that our present tax burdens, though heavy and unwelcome, are not unbearable if we will meet them in the right spirit, and, I repeat, wisely use the taxing power for the purpose of raising the needed funds and as wisely refuse to use this power for destructive, punitive, or political purposes.

I have said that wages to-day are eight times what they were when Washington was a boy. In support of this statement I will put in the RECORD at this point the wages paid by one of the oldest and largest manufacturing plants in this country, beginning in 1843, and my investigation has satisfied me that they are fairly comparable with and quite as high as the wages paid in other industries.

Period	Working hours	Earnings per hour	Per week
1843	72	$0.042	$3.08
1848	72	.072	5.18
1856	72	.078	5.62
1860	72	.081	5.80
1863	60	.107	6.42
1870	60	.149	8.94
1880	60	.132	7.92
1890	60	.151	7.92
1900	60	.156	9.36
1910	60	.179	10.74
1914	55	.204	11.22
1920	48	.440	21.15
1923	48	.608	29.18

The first organized strike in the building trades occurred in New York in the early thirties, when skilled labor, working 12 hours a day for $1.37½, struck for a 10-hour day and $1.50. As late as 1850 stone masons and carpenters received 10 cents an hour and they did excellent work. I am not saying that wages were too low then or too high now. I call attention to the incomes received in former times for the sole purpose of indicating the comparative ease with which the tax burdens of to-day can be borne when compared with the taxes paid in those days.

If we go back to the period following the close of the Revolution we find our forefathers struggling for their existence without money or credit. We find them eating the coarsest food and wearing the coarsest apparel, many of the best of them living in windowless cabins and knowing nothing about the comforts which the humblest citizen enjoys to-day. I have said that the purchasing power of the dollar is less now than it was then, but this statement must be taken with many important qualifications. Many articles of food which are now counted as common necessities were much more expensive then. For many years after the Revolution sugar sold for 50 cents a pound and upward, tea for $1 a pound and upward. Wheat flour was practically unknown in the East. Pork, corn meal, and rye flour constituted a major portion of the daily diet, and these articles are cheap now. The death rate then was probably three times what it is to-day. Typhoid fever, tuberculosis, diphtheria, cholera, yellow fever, annually took a heavy toll. In many instances medical and theological students upon completing their education voluntarily contracted smallpox and went to the public pesthouses in order that, if their lives were spared, they might be immune from this dread plague and be able to administer to their parishioners and patients when their turn came. These men and women found their happiness and the courage to "carry on" in the firm belief that they were preparing themselves for mansions not made with hands and, for their progeny, a great and God-fearing Nation. So rapid has been our advance in national prosperity that we forget the hardships of yesterday and are even beginning to look upon the necessity for labor as nature's greatest bane instead of her greatest blessing. The record shows that the forces that have organized and kept in motion the historic procession from poverty to wealth and from wealth to war or paternalism and from war or paternalism back to poverty are still in working order.

When Europe goes to work again and meets the responsibilities and makes the sacrifices necessary to pay her debts and restore her lost capital and credit she will in the process breed a superior generation of men and women who will have every incentive to follow that ancient and attractive plan "which gives to him who has the power and lets him keep who can." Europe will come back sooner or later and under the leadership born of stern necessity she will mother a mighty brood whose definition of right may not conform to ours. Our title to the garden spot of the earth will be recognized as long as we are fit and strong enough to hold it and no longer. To-day we are loved by nobody but ourselves and there is no emotion more fatal to individual or national progress than self-adulation. Unless we mend our faults while we are bragging about our virtues, if we forget that everything we possess to-day that our ancestors did not have is due to the fact that we inherited from them a continent of fertile acres and heads and hands that could meet responsibilities, nothing that we remember will save us.

I have said that they were poor. I could cover pages with details of their deprivations and sufferings. At times the

burdens they were compelled to bear were due to their experiments in unsound legislation, tax and otherwise. It is most interesting to note how they slowly and ofttimes reluctantly learned that taxing the few for the benefit of the many or taxing the many for the benefit of the few are economic impossibilities.

Historians all agree that the most critical period in the history of our country embraced the years between 1783 and 1788. As Fiske says, "That period was preeminently the turning point in the development of political society in the Western Hemisphere. It was the work done in these years between 1783 and 1787 that created a Federal Nation capable of enduring the storm and stress of the years 1861–1865."

In 1774 the 13 Commonwealths began to act in concert, but how feeble did they soon find this attempt at national integrity. The most fundamental of all attributes of sovereignty—the power of taxation—was not given to the Continental Congress. It could not collect taxes. It could make requisitions upon the 13 members of the Confederacy in proportion to the assumed value of their real estate, but it had no means of enforcing these requisitions. The power of levying taxes as we understand the term was entirely retained by the States. It could not collect its requisitions for its yearly budget without firing upon its citizens or blockading State ports. Every State had its own debt and some of them were applicants for foreign loans. In 1781 for current expenses of the Government $9,000,000 was needed. It was proposed to raise $4,000,000 by loans and secure $5,000,000 from the States. At the end of the first year $422,000 had been collected. Three States refused to pay anything, one paid one-third of the amount demanded. Of the continental taxes assumed in 1783, only one-fifth had been paid by the middle of 1785. The new nation had no credit at home or abroad.

In the summer of 1783, before the British troops evacuated New York, the disbandment of the Continental troops was hastened by the inability of the Government to pay the officers and men. Naturally, there was great discontent among the officers and men, which Congress dreaded. At the critical moment Washington asked Congress for half pay for the soldiers for life. Threatened mutiny was suppressed by the tact and skillful appeals of Washington. In response to a letter from Washington to Congress the latter voted the soldiers a gross sum equal to five years' pay in certificates bearing interest at 6 per cent. In September, 1776, Congress paid a bounty of $20 and gave 100 acres of land to each noncommissioned officer. In January of that year Congress granted small bounties. In 1778, in response to Washington's appeal, Congress offered one-half pay for seven years after the war to those who remained in the service. Suffice it to say that Congress did much more for the defenders of the Nation then, in proportion to the ability of the people to pay, than we are asked to do now. Soldiers were human then as now. They would not be good for much if they were not.

On April 21, 1778, Washington, in a communication to Congress, said:

> Men may talk of patriotism, but whosoever builds upon this as a sufficient basis for conducting a long and bloody war will find himself deceived in the end. * * * I know it exists, and I know it has done much in the present contest. But I will venture to assert that a great and lasting war can never be supported on this principle alone. It must be aided by a prospect of interest or some reward. For a time it may, of itself, push men to action, to bear much, to encounter difficulties; but it will not endure unassisted by interest.

I commend this great and good man's conception of the virtues and shortcomings of the combative instinct to those who hold that the soldier should enjoy losing his life in defense of his country, and his wages as well, while so engaged, especially if he faces death and debts and disease at the command of the richest nation in the world.

At the close of the eighteenth century the "League of Friends" was drifting toward anarchy. We were bullied by England, insulted by France and Spain, and eyed with suspicion by Holland. Our position was most humiliating. Our envoys were compelled to beg for money for a Government which could give no security, which could not raise money enough by taxes to pay its current expenses. Financial distress was widespread and deep-seated. There was no accumulated capital and the great majority of the people suffered unspeakable hardships. One of the prime causes of their poverty was an irredeemable currency worth 2 cents on the dollar. It created a false and fleeting show of prosperity by violently disturbing values.

The cost of the Revolutionary War was estimated at $170,000,000, a staggering sum in those days when a paper dollar was worth 2 cents at home and nothing abroad. The Colonies secured their independence to avoid paying taxes laid by the mother country, and when they secured their independence they found that taxation with representation was equally distasteful in all its important particulars to taxation without representation. As I have stated, Congress could not compel obedience to its requisitions. It was compelled to get new money, good money, and yet had no means of collecting funds sufficient to pay the interest on the loans it might obtain.

Meanwhile, the people had never been accustomed to paying taxes into a Federal Treasury. In 1784 Congress decided to secure sufficient funds to pay the interest on the domestic debt of $42,000,000 by import taxes and secure $2,500,000 additional by requisitions on the States. This constituted the *entire* revenue system of 1783. The States refused to pay. Rhode Island voted to abolish taxes, to suspend the excise and emit a paper currency. In New Hampshire a mob demanded paper money, equal distribution of property, annihilation of debts, and the abolition of taxes. Between 1781 and 1786 requisitions amounting to $10,000,000 had been made on the States and less than $2,500,000 had come into the Treasury. The interest on the foreign debt was defaulted; the Treasury was empty.

Shays's rebellion in Massachusetts in 1786 was organized for the purpose of abolishing taxes and the courts and the issuance of paper money and plenty of it. At this time Washington remarked:

> It was but the other day that we were shedding our blood to obtain the constitutions under which we live—constitutions of our own choice and making—and now we are unsheathing the sword to overturn them.

State debts at that time were large. In 1786 the funded debt of Massachusetts was $1,300,000. In the general court a bill was presented prohibiting the redemption of paper money. Of this period Fiske says:

> These unspeakably stupid and contemptible local antipathies are inherited by civilized men from that clan system which prevailed over the face of the earth, and the hand of every clan was raised against its neighbor.

Referring to jealousies and quarrels between the different States, Fiske says:

> Incidents like these seem trivial perhaps; but their historic lesson is none the less clear. Though they lift the curtain but a little way, they show us a glimpse of the untold dangers and horrors from which the adoption of our Federal Constitution has so thoroughly freed us that we can only, with some effort, realize how narrowly we have escaped them In the very face of the miseries so plainly traceable to the deadly paper currency, it may seem strange that people should now have begun to clamor for a renewal of the experiment which had worked so much evil. Yet so it was. As starving men are said to dream of dainty banquets, so now a craze for fictitious wealth in the shape of paper money ran like an epidemic through the country.

The Articles of Confederation provided three ways for meeting Government obligations—requisitions, loans, and bills of credit. The first paragraph of the Federal Constitution, Article I, defines the powers of Congress and recites: "To lay and collect taxes, duties, imposts, and excises." This power alone gave life and vitality to the instrument and power to the newborn Nation.

The success of Hamilton's plan of funding the public debt and raising revenue is a matter of common knowledge. He put into practice sound principles—the same principles that have been followed to this day where common sense has attended taxation legislation. The sensation of the second session of the First Congress was the financial report of the Secretary of the Treasury. No sooner had this report been made than United States securities rose 50 per cent. But funding of the public debt and maintenance of the public credit required money, and the customs receipts were sufficient to pay only two-thirds of the annual expenses of the Government. There was a deficit of $826,000, and to meet such a contingency the Secretary of the Treasury urged the passage of excise taxes.

Most interesting are the early experiments with this latter class of taxation. All the States except Vermont and Delaware taxed land. Carriages were taxed in Connecticut, New Jersey, Pennsylvania, Kentucky, and North Carolina. Processes of the law were taxed in Maryland, Virginia, Kentucky, and North Carolina. Seven of the States clung to the uniform capitation tax, four imposed the general property tax upon all forms of wealth, while others specifically indicated the articles to be

taxed. To a limited extent and under various disguises the income tax was imposed by the States. Vermont provided for assessments proportional to the profits of all lawyers, traders, and owners of mills, according to the judgment and discretion of the assessors; Massachusetts taxed incomes from any profession, faculty, handicraft, trade, or employment. Similar taxes were to be found in Connecticut, Pennsylvania, Delaware, and New Jersey, as well as in several of the Southern States. Some of the States taxed ardent spirits until 1796 when all these taxes were relinquished for a time. Hamilton's proposal to impose excise taxes though familiar to the people in many of the States was yet an entirely new experiment in national finance. The excise tax upon spirits caused bitter opposition. It was denounced as "hostile to true liberty of the people" and would "let loose a swarm of harpies who, under the domination of revenue officers, would range the country and pry into every man's house and affairs." With characteristic courage Hamilton proposed and had passed a bill to tax snuff, tobacco, carriages, sales at auction, licenses for the practice of law, and privilege of selling wines and spirits, and the machinery which he then set up has served as a model for all subsequent legislation. But his plan was bitterly opposed by the opposition party and by taxpayers generally. Indignation meetings were held. One tax collector was tarred and feathered. The whisky insurrection had its cause in this tax levy. In three years receipts were only $350,000. The tax was condemned by the people of the South especially.

Hamilton's great purpose was to cement more closely the union of States and to establish public order on the basis of an upright and liberal policy, but he discovered that the taxing power was an unpopular instrumentality for the accomplishment of this laudable purpose. We find the same arguments against excise taxes now, namely, their tendency to contravene the liberty of the citizens, their injury to morals by inducing false swearing, their burdensome penalties, and their interference with industry. During the fiscal year 1793 the total tax receipts were $422,000; the cost of collecting was $130,000—30 per cent of the amount collected. During the fiscal year of 1923 the total revenue tax collections were $2,621,745,227; the cost of collecting was $36,501,062—about 1½ per cent of the amount collected.

In 1798 a tax was imposed upon houses, but the collections were inconsiderable.

The Democratic Party came into power in 1801, and its advent was signalized by the complete abolition of all the taxes so laboriously established by Hamilton and his successors. Jefferson, the father of Democracy, called the whole system an infernal one and hostile to the genius of a free people. All excise and direct taxes were repealed early in 1802, and from that time to the War of 1812 such taxes were not imposed. Jefferson's party made rich and prolific political capital out of the congenital hostility to taxes. In 1800 half the population were seeking empires in the West. It was the beginning of the reign of the pioneer. The hardships endured were beyond description. Poverty was extreme. Food was scarce. There was little taxable property outside the older cities and towns of the East. Jefferson's political religion was freedom from restraint and taxes.

Mr. Jefferson crowned his career as a tax expert and insured his popularity as a wise and gracious statesman by securing the repeal of all duties on spirits and refined sugar, postage on newspapers, and coaches. This bill passed Congress March 22, 1802, and deprived the Treasury of $900,000 a year. Mr. Jameson, of Pennsylvania, and Mr. Mason, of Virginia, in debating this bill declared that it was bad policy to wrest from the people their spare cash. Democracy, then as now, sought a popular tax, and not finding it they let the ax fall upon the smallest number of voters who could raise the required revenue.

The record shows that the Democratic program brought its customary results. The condition of the wage earner during that period is full of warning for those who would follow Democratic leadership. Unskilled workmen were hired by the day if they could feed themselves and find lodging, and they received from $70 to $100 a year. Farm workers were paid about $10 a month, with food and lodging. In Baltimore the prevailing wages were $6 a month for skilled labor. The average wage the country over was $65 a year, with food and perhaps lodging.

I want to be as fair as is possible to Mr. Jefferson and his party. Excise taxes were unpopular then as they are now, but conditions then were such as to render an excise tax much less defensible than now.

The War of 1812 necessitated a return to internal taxes. They were called "temporary war taxes." The articles selected were almost the same as those selected by Hamilton. Congress was abused for reimposing these taxes as it is abused now for retaining some of them; nevertheless, as was the case in 1861, the patriotism of the people met the need. The internal taxes were accepted without complaint. The people were beginning to realize that taxes are ultimately paid by the consumer regardless of their starting point.

The entire system from 1814 to 1862 was erected on the foundation of earlier days, and the very taxes which aroused so much opposition in the Nation's infancy later were the groundwork of the system under which we are living to-day.

The public debt in 1815 was about $127,000,000. The excise taxes were retained and paid without serious complaint until 1817. Their repeal was a mistake. In 1819 there was a deficit of $3,000,000, which had to be met by a temporary loan under the act of May 15, 1820. Our failure to repel immediately the invasion of 1812 was largely due to the lack of money owing to the repeal of the internal taxes.

Between 1817 and 1861 no recourse to internal taxation was contemplated by either of the great political parties. In 1860 the Treasury was practically empty. Public credit was at a low ebb. The public debt had increased to $65,000,000. The retiring Secretary of the Treasury sounded a warning, but nothing was done until the advent of the Republican administration under Lincoln.

From the opening of the extra session July 4, 1861, down to 1872 more revenue legislation was enacted than during the preceding 70 years, and the amount of money extracted from the pockets of the people in the form of loans and taxes was incredible for that period. Professor Seligman, of Columbia, in a recent report prepared for use in New York tells us that the system of indirect taxation applied in 1866 would, if in operation to-day, produce more than $2,000,000,000 instead of the $350,000,000 which we expect to collect under existing law. I commend this startling fact to those who feel that the present indirect taxes are unbearable.

Tax legislation, though based on the foundation laid by Hamilton, was experimental in many of its details and of vast proportions. Secretary Chase's financial program was to raise $318,000,000 for the annual needs of the Treasury by loans; to raise the interest on the public debt and deficiencies by taxation. The apportioned State tax was $20,000,000. An income tax of 3 per cent on all incomes over $800 was assessed. In December, 1861, direct taxes were increased and an excise-tax system modeled after that of the War of 1812 was inaugurated. The articles taxed were whisky, tobacco, carriages, bank notes, conveyances, legacies, and the like. Secretary Chase was fearful of his experiment, but so far as I am able to ascertain he underestimated the patriotism of the people. The taxes were paid without serious complaint.

The revenue tax bill of 1862, covering 57 pages of the Revised Statutes at Large, was discussed for three months in Congress, and it forms the basis of the elaborate internal-revenue system of to-day. As I have said, it was based upon the fundamental principles approved by Hamilton.

It is interesting to note the wide discrepancy between the estimated receipts of Chairman Morrill and Secretary Chase and of experts on the one hand and the actual amount raised the first year. The estimated receipts the first year were from $80,000,000 to $100,000,000. The actual receipts were $37,000,000. This was in 1863. In 1864 the same sources yielded $109,000,000 and in 1865 more than $209,000,000. These enormous and unanticipated increases were a complete surprise and were accounted for upon the theory of evasions and fraudulent returns during the first year. In 1863 business had adjusted itself to changed conditions in production, largely due to inflation and high prices.

In 1864 Congress amended the law and omitted nothing from the direct list, from the raw product to the finished commodity. An observant writer of the day said:

> The citizen of the Union paid a tax every hour of the day for each act of his life; for his movable and immovable property, for his income as well as his expenditures; for his business as well as pleasure. Stamps were affixed to the smallest agreements. Incomes were not only burdened by a regular tax but also by an extraordinary payment, while to these must be added State, county, and municipal taxes of almost equal amount.

The increasing taxes imposed upon manufactured articles were received with unconcealed opposition by the producing interest as a burden to production and they urged a sales tax.

The increase in the returns from revenue taxes from 1862 to 1866 was as follows:

1862	$1,790,000
1863	39,120,000
1864	110,210,000
1865	210,660,000
1866	310,200,000

Had there existed in 1861 income-tax machinery with which the people were familiar and which was reasonably elastic so as to permit immediate extension, the Treasury of the country would not have suffered as it did for nearly three of the four years of the war. In 1865 the public debt was approximately $3,000,000,000 with annual interest amounting to $165,000,000. The burden of taxation, as will be observed, was much greater in proportion than in 1924.

The population in 1865 was about 34,000,000, the public debt $3,000,000,000, the total national wealth about $28,000,000,000. In 1924 the total population is about 110,000,000, the public debt about $22,000,000,000, the total national wealth estimated at about $318,000,000,000. In 1865 the total debt was about one-eighth the total estimated wealth. In 1924 the total public debt is about one-thirteenth of the total estimated wealth. I am now speaking of the Federal debt, but if we add the State debts the proportion will not be materially changed.

At this point I want to put into the RECORD a statement of the public debt, the population, per capita debt, and per capita wealth of the Nation at stated periods from 1786 to 1924, as follows:

United States public debt, population, wealth, etc.

Year	Debt	Population	Wealth	Debt per capita	Wealth per capita
1786	$42,375,000	2,800,000	$2,000,000,000	$15.20	$700
1791	75,000,000	3,000,000	3,000,000,000	25.00	.....
1800	82,900,000	5,300,000	3,500,000,000	15.63	.....
1820	91,000,000	9,600,000	4,000,000,000	9.44	.....
1830	48,500,000	12,800,000	5,000,000,000	3.77	.....
1840	3,500,000	17,000,000	6,000,000,000	.21	400
1850	63,500,000	23,190,000	6,500,000,000	2.74	300
1860	64,800,000	31,400,000	16,000,000,000	2.06	500
1870	2,436,000,000	38,500,000	30,000,000,000	63.19	800
1880	2,090,000,000	50,100,000	43,600,000,000	41.69	.....
1890	1,122,000,000	63,000,000	65,000,000,000	14.74	.....
1900	1,260,000,000	76,100,000	88,500,000,000	16.60	.....
1910	1,146,000,000	92,200,000	180,000,000,000	12.43	.....
1920	24,297,000,000	106,400,000	290,000,000,000	228.32	.....
1924	22,000,000,000	110,000,000	320,000,000,000	200.00	3,000

It will be noted by this table that in 1850 our per capita debt was $2.74 and the per capita wealth was $300. In 1860 the per capita debt was $2.06 and the per capita wealth $500. In 1870, four years after the close of the war, the per capita debt was $63.19 and the per capita wealth was $800. In 1924 the per capita debt is $200 and the per capita wealth $3,000. In 1840, when the per capita debt was only 21 cents, we could pay our debts and have $399.79 left. In 1924, with a per capita debt of $200 and a per capita wealth of $3,000, we can pay our per capita debt of $200 and have $2,800 left.

This record seems to me to be an unanswerable argument in support of the position which I maintain that the debt of to-day, though large and burdensome and unwelcome, can be easily borne if met in the right spirit. And if, as the President says, our economic ills are due to high taxes, it is vitally important that we adopt a system of taxation that will meet current expenses, pay bills that must be paid, and establish a generous sinking fund that will save us from greater economic ills that will inevitably follow if we postpone this all-important duty until we are visited with a period of hard times when half present prices will double our debt and at the same time cut our tax-paying power by 50 per cent.

It will be observed, and it is very important that it should be borne in mind by those who phophesy an insolvent Nation and a bankrupt Treasury unless taxes are immediately reduced, that a nation's wealth like that of an individual depends upon its equities as well as its debts. In other words, a man with $10,000 in the bank and a debt of $5,000 is much better off than the man with $100 in the bank and no debts. I am not advocating a continuation of the present inexcusable extravagance in many lines of Federal, State, and municipal expenditures. I am merely stressing the fact that we are solvent and can remain solvent if we are fairly economical and adopt wise forms of taxation.

Not until 1868 did Congress make an appreciable effort to reduce internal taxes. But this reduction in taxes did not contribute as much to lower prices as did deflation of the currency. Inflation and speculation rather than high taxes brought ruin in their wake. Trade and industry were abnormal and even tax reduction could not avert the panic of 1873, and tax reduction now or later will not remove the economic evils which now exist if inflation, speculation, unwilling service, extravagance, and extortionate prices are continued.

It is to be noted that the experience from 1861 to 1871 demonstrated that time is an essential requisite in a wise excise system and that the machinery should never get out of order and that a moderate rate imposed regularly will be less injurious to the social and industrial life of the Nation than an excessive rate inviting evasion and fraud.

By the provisions of the act of 1861 a tax of 3 per cent was laid upon incomes above $800. In 1862 the exemption was reduced to $600 and the rate made slightly progressive, 3 per cent from $600 to $10,000 and 5 per cent above $10,000. In 1864 incomes between $600 and $5,000 were taxed 5 per cent, those between $5,000 and $10,000, 7½ per cent, above $10,000, 10 per cent. In July, 1864, Congress imposed a special income tax of 5 per cent on all incomes in excess of $600, in addition to the regular income tax. In 1865 all income taxes were consolidated at 5 per cent between $600 and $5,000. In 1867 the income tax was made uniform on incomes above $1,000 and in 1870 changed to $2,000. This tax was removed in 1872. In 1871 so many exemptions were allowed that receipts were only about $14,000,000, and in 1872 about $8,000,000. The testimony of this period is that high income taxes then as now shackled industry and unsettled trade. The returns from income taxes rapidly decreased as soon as the war was over. In 1866, $72,000,000 in round numbers was collected; in 1867, $60,000,000; in 1868, $41,000,000; in 1869, $34,000,000; in 1870, $37,000,000; in 1871, $19,000,000; in 1872, $14,000,000; and in 1873, the last fiscal year, $5,000,000.

I repeat, one of the sound principles taught by long years of observation and varied experience is that capital sets the limit to industry. Reduce the total of production capital and you reduce the demand for labor and when labor is not employed production ceases and the national income is correspondingly reduced.

In his work on public debts, Doctor Adams says, in substance, that the universal testimony of history is that any great industrial disturbance rests most heavily upon those who, possessing no property, depend upon their income for their daily bread. It is the wage-earning class that feels most sensitively depression in business.

The experience of the Civil War period was not unlike the experience of the past six years. It clearly demonstrated that there are limits to popular lines of taxation beyond which the Government can not go and secure revenue.

The income tax of 1913 was section 2 of the tariff act of October 13, 1913. It was frankly acknowledged by its authors as a bill to tax the money of the rich. In debating the bill in the House, April 13, 1913, Mr. UNDERWOOD said:

> We removed the tax at the customhouse on necessaries purposely to levy a tax on wealth.

But hardly a year elapsed when the Democratic majority in the House brought forward another revenue bill made necessary, as they said, because "of the reduction of revenue derived from customs receipts, caused by dislocated conditions resulting from the war in Europe." Yet the war in Europe did not begin until August, 1914. During the 10 months of the operation of the law before the beginning of the war, income tax receipts on individuals amounted to $31,344,000 and the total income tax was $45,851,000. The majority committee report in the House admitted that these small receipts were due to the unsettled business conditions. These unsettled business conditions appeared the day the Underwood Tariff Act was signed by the President, and the record shows that the receipts were falling off rapidly and additional funds were needed before the war began. The President had advised Congress that "the revenues necessary to the support of the Government have been so seriously disturbed by the war in Europe that it is necessary immediately to pass legislation that will furnish sufficient money to meet the ordinary expenses of the Government." Business was going from bad to worse before the war began and the drain upon the Treasury was not due to the war in Europe but was due to the threatened and partly accomplished destruction of American industries by foreign competition.

The act of September 15, 1914, was about to expire when a new financial crisis confronted the Treasury. The Democratic majority pleaded with Congress to continue the act of 1914 for one year to avoid serious financial difficulty and perhaps Government bankruptcy. The chairman of the House Ways and Means Committee said:

> It is necessary, unpopular as it may be.

The act of 1914 did not produce enough revenue to meet the ordinary expenses of the Government for the preceding 12 months. The act of 1914 was extended to December 31, 1916, yet up to that date the United States had not entered the World War. The World War operated as an embargo against importations and saved the country from the disastrous effect of the

Underwood tariff rates. Between September 14, 1914, and April, 1917, Congress was obliged to enact three direct tax laws increasing the revenues of the Government. The revenue act of 1917 incorporated an excise tax, higher State taxes, and a bond issue. The majority report of the committee said that our revenue system should be more evenly and equitably balanced.

War-revenue legislation began in May, 1917. It was the fourth revenue measure presented to Congress since March 4, 1913. When the bill of January, 1917, was under consideration I said in the Senate, February 20, 1917:

> In a time like the present every care should be had to use the merciless power to tax in a way that will encourage and protect the sources from which other and larger taxes may be demanded in the future. It can not be assumed that the industrial life of the Nation can be protected and sustained by excessive taxes at home and unrestricted competition from abroad.

In May, 1917, the President asked Congress for $1,800,000,000 to defray war expenses. Then was enacted the war revenue law of 1917, providing for a war income tax, a war excess-profits tax, war taxes on tobacco, on manufactures, on public utilities, on estates, on postal rates and nearly every activity. The country was hunted over to find sources of revenue. When this war finance legislation began it was started on the theory that the money should be raised one-half from taxes and one-half from bonds. Soon it was found impossible to maintain this ratio and bonds outran taxes. Again in May, 1918, the President asked Congress for money. It was planned to raise an additional $8,000,000,000 by taxes on incomes, excess and war profits, luxuries and semiluxuries.

We all realize now that it would have been wiser if we had raised more money by taxes in 1917, 1918, and 1919, when prices and patriotism were at flood tide. But our hindersight is always better than our foresight. I make these brief references to our tax history in order that we may profit, if possible, by experience and avoid the mistakes of the past.

The chart prepared by the Senator from Utah [Mr. SMOOT], based upon incontrovertible figures, shows that the returns from incomes above $100,000 have dropped from 29.5 per cent of the total in 1916 to 4.5 per cent in 1923.

If we follow the advice of the impartial and unprejudiced economist of note, if we follow our own experience, we shall collect more money by reducing the surtax to a point where evasions will be unprofitable, and by "evasions" I mean legitimate evasions. We can not expect to curtail the issuance of tax-exempt securities for some years to come. With a surtax of more than 20 per cent the recipients of large incomes can to-day and will continue to find ample opportunity to escape taxation by purchasing tax-exempt securities; by investments in nonincome producing properties, such as undeveloped mines, growing timber tracts, unoccupied building sites in and about large cities, and in antemortem distribution of large estates to children and nearest of kin.

In the throes of the Civil War when the credit of the Nation was at a low ebb and its preservation was at stake 10 per cent was the highest income tax imposed. I have said that Professor Seligman in his recent report to the New York State Tax Association estimated that the indirect tax imposed in 1866 if imposed to-day would produce $2,000,000,000, as against the $350,000,000 which we are now expected to secure. In that report Professor Seligman says that Congress at the present time "ought carefully to consider the entire situation before encroaching still further upon the restricted resources of the State revenues. There is still a vast field of indirect taxation available for Federal purposes." It is estimated by the Census Bureau that in 353 different lines of industry in 1921 the manufacturing capacity was only 56.8 per cent of its total. From the best information I can get there has been a considerable increase since that year; 1921 was a poor year, but it is probable that our industries are still short 25 per cent of their full production capacity.

A low surtax in years of full production, which means full employment and consumption, will bring much more than a high surtax which can and will be evaded, and the direct effect of which, if not evaded, will be to retard both production and consumption. In 1916, with a maximum surtax of 10 per cent, the Treasury collected $81,000,000, and in 1921, with a maximum of 65 per cent, the Treasury collected from these same taxpayers only $84,000,000.

The report is current, and I think well founded, that a constitutional amendment to prohibit the further issuance of tax-exempt securities would fail of adoption. Assuming that the capital which escapes taxation in a tax-exempt security would otherwise be taxed, these securities benefit no one but the lender and in a period of industrial depression and low prices the purchasing power of the income from these securities is greatly increased. The States and municipalities which think they are finding easy money in tax-exempt securities are blind to the inevitable consequences of such a course. Sooner or later they will realize that they have greatly increased the purchasing power of the incomes from these bonds held by the wealthy and at the same time increased the tax on real estate and other capital which is still subject to taxation. If the American people would put a stop to the issuance of tax-exempt securities, if they would approve a straight income tax with a surtax not to exceed 20 per cent as the principal norm for taxation, and would add to this a small sales tax not to exceed one-half of 1 per cent, and a tax not to exceed 5 per cent upon acknowledged luxuries, funds to meet current expenses and to pay interest on the public debt could be raised without difficulty.

Mr. President, the wealth of the United States to-day is as great as the combined wealth of Great Britain, France, Italy, Japan, Austria, Hungary, and Germany. Our public debt is about one-eighth of our estimated wealth, whereas the public debt of the European countries is eight times the total debt of the United States.

Whenever it has been suggested that we reduce or cancel any debt owed to us by a foreign country, that suggestion has been met with a storm of opposition. We do not lack courage when we demand that our debtors pay us for the money we loaned them and which saved them from destruction. This is natural and proper. But if England and Europe can pay their bills and again become self-supporting and prosperous what excuse have we for failure at home, and what right have we to permit or prophesy hard times and National and State insolvency?

Great Britain's budget for 1922 and 1923 shows $4,165,000,000 from internal taxes, of which $1,980,400,000 was from property and income, $148,300,000 from excess profits, and $88,500,000 from corporation taxes. In addition, Great Britain has a government land tax, a house tax, and a land value tax. Also, Great Britain raised $97,800,000 from stamp taxes of various sorts. In other words, Great Britain must raise annually $1,000,000,000 more than we do and her population is less than half of ours, being 47,600,000.

France's internal tax in 1923 amounted to $5,400,000,000, $7,000,000,000 from stamp taxes, $500,000,000 from turnover taxes, and about $1,000,000,000 from various other direct taxes. The population of France is about 40,000,000.

Italy's direct taxes for 1923 for ordinary purposes was $2,400,000,000, of which $1,946,000,000 was from personal incomes, $100,000,000 from stamps, $500,000,000 from tobacco. Italy's population is 37,000,000.

To be sure they have been paying these taxes in depreciated currency, but their burden will only be the heavier when the inevitable day of reckoning comes.

Here are some interesting comparisons for the American citizen to consider and then cheer up:

Country	Population	Internal tax—1923	Per capita tax
United States	110,000,000	$2,165,000,000	$20.00
Great Britain	47,600,000	4,165,600,000	95.00
France	40,000,000	5,400,000,000	130.00
Italy	37,275,000	2,400,000,000	60.00
Canada	4,300,000	228,000,000	55.00

The British pound has not greatly depreciated nor has the Canadian dollar. The per capita tax in Great Britain is four times what it is in this country, in Canada two and one-half times our tax, and, I repeat, the wealth of the United States is as great as that of Great Britain, France, Italy, Japan, Austria, Hungary, and Germany.

According to figures given in the London Economist of March 29, 1924, the burden of direct taxation in France has increased from 14 per cent of the national income in 1913 to 16 per cent in 1923 and to 20 per cent in 1924. In England the direct tax burden in 1922 was 20 per cent of the national income and to-day is probably 23 per cent.

The financial ministry in Germany has published a final report on revenue for 1922 and 1923. It calls for 958,000,000,000 marks in direct taxes and taxes on business and about 200,000,000,000 marks on consumption.

When we attempt to comprehend these incomprehensible sums which must be raised by other nations we can understand why we are envied and criticized by them.

We have more than half of the gold of the world and a mortgage upon England and Europe that all the gold in the

world would not remove. We not only lead the procession of great nations but we are around the corner and out of sight of all of them. But, once we lose our confidence in our own future, once we let the prophets of failure and apostles of despair prevail, once we conclude that our burdens are too heavy for our much-boasted racial and moral superiority, once the politicians in exchange for our votes convince us that we are incapable of meeting the responsibilities and making the sacrifices necessary to pay our bills, then I say, with all our self-complacency as the leading exemplar of the white race, we shall soon find ourselves distanced and despised by our competitors in Europe and elsewhere whose very necessities will develop braver hearts and stronger hands than ours.

In closing let me repeat that I am not encouraging extravagance or commending high taxes. To be perfectly frank I hate taxes. I was born with a mortal dread of debts; I was brought up to pay cash or go without. If I could have my way I would go to unnecessary extremes and probably be very foolish. If I could have my way I would not tickle the nettle of taxation with my nose, I would not grasp it firmly with my hands, I would not take any chances, I would stamp on it with both feet until it was dead. I would gladly make any needed sacrifice to see this $22,000,000,000 reduced to $2,000,000,000 in the next five years. But I realize that deprivation is unnecessary and would be unwise. I do not want to hurt any industry for the sake of killing nonexistent ghosts. We can pay these bills without disturbing production or consumption.

We have already paid $5,000,000,000 of them, and yet the great corporate and producing industries of the country have largely increased their incomes since 1921. Good wages and the American standard of living have been maintained. When Democrats talk about the tariff, when they talk about the Republican policy of protection to American industries, they tell us that this policy will bring disaster, but when they come to discuss income taxes they find that we have grown prosperous since the enactment of the Fordney-McCumber bill. They find that the tariff has protected first of all the wage earner, maintained his wages, and sustained his purchasing power. Now they want to imperil his prosperity by a system of taxation devised for its vote-getting power, and for nothing else.

If we would solve this problem intelligently, and by that I mean follow impartial, nonpolitical advice and avoid the mistakes of the past, this cloud of taxation will soon be dissipated. I am an optimist, but I have lived through three or four periods of business depression, and I do not want any more of them if they can be avoided.

When I hear men and women complaining as they do about taxes and pretty much everything else, I ask the ethnologists and other "ologists" for the cause, and they tell me that these whimperings are the well-understood symptoms of race senility which always appear when wealth accumulates and responsibilities lighten.

If I had the capital I would for a premium of one-tenth of 1 per cent guarantee to the American people four years of unprecedented prosperity provided they would vote the Republican ticket in November next and meet current responsibilities with one tithe of the courage and foresight that enabled our forbears to survive the threatened shortage of copper, wool, light, and beans.

PULLMAN SURCHARGE

Mr. SMITH. Mr. President, I do not know what is the purpose of the Senator having this bill in charge, but I want to take this occasion to call attention to another matter that is important.

There has been, perhaps, no measure before the Congress that has been of greater interest than the railroad legislation; and that in part has been evidenced by the number of bills that have been introduced looking toward an order to the commission to discontinue the surcharge upon Pullman fares. I, as chairman of the committee, and other members of the committee, have been criticized by the public as well as criticized by Members of the Senate for not taking some action on the bills that are pending. The bills have been introduced by Members on the Republican side as well as by Members on the Democratic side.

In justice to the committee and to myself, I want to state that when this matter was brought to the attention of the Interstate Commerce Commission they replied that they had instituted, some time in April, 1923, a full inquiry into the facts pertaining to the Pullman surcharge. It had been imposed about the time that the 20 per cent horizontal increase in rates was allowed, as a necessary step to obtain certain revenue, and, they claimed, to meet the necessities of the roads. The matter was referred to a subcommission, which, under the order of the Interstate Commerce Commission, has been in session since 1923. The subcommission has completed its work. It has gone into all the facts pertaining to this surcharge, and I desire to read its conclusion in reference thereto, and desire to incorporate the report in the RECORD in order that Senators may be fully advised as to the situation, and be prepared to meet whatever decision the Interstate Commerce Commission shall make when it meets on May 8 for a final determination as to what it will do in reference to this matter and the report.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. SMITH. I yield to the Senator from Florida.

Mr. FLETCHER. Does it appear that there is need of any further legislation? Has not the Interstate Commerce Commission now all the power and all the authority necessary to readjust that matter?

Mr. SMITH. The commission has the power to readjust the matter, but I am calling attention to the findings of this subcommission so that we may be fully prepared with the facts in case the commission, after hearing argument on May 8, should decide adversely to the findings here.

Mr. FLETCHER. Then we may have to amend the law.

Mr. SMITH. Then we may have to amend the law so as to express the view of Congress in reference to the continuation of this surcharge.

The final clause of the report is to the effect that—

> It is accordingly recommended that the commission find that the practice of respondents of assessing a surcharge on Pullman-car travel is unjust and unreasonable and that the commission order that the practice be discontinued.

I am taking occasion this afternoon to call attention to this fact in order that the public may be thoroughly advised as to the reason why the committee has not taken action in reference to this matter. It was wholly within the power of the commission, under the law, on its own initiative, to lay this tax. It is wholly within its power to remove it. I think a majority of the committee and a majority of the Senate think that the charge is an unjust and unreasonable one in view of all the facts, and we only postponed action because we were waiting until the commission could find the facts.

Mr. President, I ask unanimous consent to have this report printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The report is as follows:

Interstate Commerce Commission

(No. 14785)

This report also includes No. 11567. Order of United Commercial Travelers of America *v.* Pullman Co.

IN THE MATTER OF CHARGES FOR PASSENGERS TRAVELING IN SLEEPING AND PARLOR CARS

[Submitted May 8, 1924. Decided May —, 1924]

PRACTICE OF RESPONDENTS OF ASSESSING A SURCHARGE ON PULLMAN TRAVEL FOUND UNREASONABLE, AND PRACTICE ORDERED DISCONTINUED

Clyde Brown, Henry Wolf Bikle, N. S. Brown, George F. Brownell, E. G. Bochland, W. S. Bronson, J. C. Bills, R. V. Fletcher, Francis I. Gowen, and E. G. Buckland for eastern carriers.

James L. Coleman, Wallace T. Hughes, J. N. Davis, E. L. Bevington, R. H. Widdicombe, L. E. Wettling, R. S. Outlaw, J. M. Souby, and B. W. Scandrett for western carriers.

C. J. Rixey, F. W. Gwathmey, Edward D. Mohr, Henry Thurtell, W. N. McGehee, W. A. Northcutt, Thomas W. Davis, W. J. Craig, J. D. Rohner, C. B. Ryan, W. H. Tayloe, A. H. Plant, S. A. Stockard, H. F. Cary, W. L. McMorris, and W. A. Russell for southern carriers.

G. S. Fernald, L. M. Greenlaw, Edgar E. Clark, Luther M. Walter, J. S. Lane, and H. H. Sanborn for the Pullman Co.

J. E. Hannegan for Southwestern Passenger Association.

W. H. Howard for Southeastern Passenger Association.

C. M. Burt for Trunk Line Association.

W. L. Pratt for New England Passenger Association.

C. A. Cairns and R. Thomson for Chicago & North Western Railway.

W. W. Meyer for New York, New Haven & Hartford Railroad Co.

B. Newhouse for Minneapolis, St. Paul & Sault Ste. Marie Railway Co.

E. E. Bennett for Union Pacific system.

Stephen F. Otis for Western Pacific Railroad Co.

J. E. Lyons and F. S. Howard for Southern Pacific Co.

Henry J. Hart for Bangor & Aroostook Railroad.

Eben E. MacLeod for Western Passenger Association.

B. M. Bukey and A. L. Conrad for Atchison, Topeka & Santa Fe Railway Co.

George J. Charlton for Chicago & Alton Railroad Co.

Charles M. Blatchford for Maine Central Railroad.

Charles R. Webber for Baltimore & Ohio Railroad Co.

Hugh Gordon, W. P. Geary, and J. C. Harraman for California Railroad Commission, Arizona Corporation Commission, Public Service Commission of Oregon, and Department of Public Works of the State of Washington.

Samuel Blumberg and Arthur M. Loeb for National Council of Traveling Men's Associations.

D. K. Clink for International Federation of Commercial Travlers Organizations.

W. S. Cornell for Shreveport Chamber of Commerce.

E. S. Briggs for American Fruit and Vegetable Shippers' Association.

Leon B. Lamfrom for National Association of Men's Apparel Clubs.

L. C. Parshall for Battle Creek Sanitarium and National Industrial Traffic League.

C. B. Hutchings and O. W. Sandberg for American Farm Bureau Federation.

J. A. Roberts for Roberts-Pettijohn-Wood Corporation.

Joseph H. Beek for the National Industrial Traffic League.

Seth Mann for San Francisco Chamber of Commerce.

Albert I. Loeb for California Hotel Association.

Frank M. Hill for Fresno Traffic Association.

A. J. Beirsdorf for Men's Apparel Club of California.

I. Marovitch for National Shoe Travelers' Association.

Sidney Levy for United Commercial Travelers.

Walton O. Wright for National Industrial Traffic League and Associated Industries of Massachusetts.

William E. Whelpley for Walworth Manufacturing Co.

Charles J. Campbell for American Hotel Association of United States and Canada, New York State Hotel Association, and Hotel Association of New York City.

John F. Shea for American Hotel Association of United States and Canada, California State Hotel Association, Western States Hotel Scenic Association, and California Hotel Association.

REPORT PROPOSED BY JOHN B. KEELER, EXAMINER

This investigation, instituted by order of the commission of April 2, 1923, has for its purpose the determination of the propriety and reasonableness of the charges assessed by the Pullman Co. and the railroads for the transportation and accommodation of passengers in sleeping and parlor cars. At the time of the institution of the investigation there was pending before the commission No. 11567, Order of United Commercial Travelers of America v. Pullman Co., in which the charges of the Pullman Co. were under attack. It developed during the course of the hearings in No. 11567 that much of the dissatisfaction of the traveling public with the charges for sleeping and parlor car accommodations arose from the so-called surcharge. The desirability of making a general examination of the accounts of the Pullman Co. also developed, and the commission accordingly instituted this investigation, consolidating therewith No. 11567. The public not having had full opportunity to be heard with regard to the surcharge during the hearings in No. 11567, hearings on the surcharge feature of the investigation were held at Chicago, Ill., San Francisco, Calif., Portland, Me., and Washington, D. C., during the summer and fall of 1923. It was hoped that the accounting examination could be completed so that both the surcharge and the Pullman charges proper could be considered at the same time, but that examination proved to be a task of such magnitude and intricacy that it was found impossible to have the results available without unduly delaying disposition of the surcharge feature. It was accordingly decided that that feature should be disposed of separately, and final hearing thereon was held on March 19 of this year. Briefs were presented on April 19, and the matter now stands set for oral argument before the whole commission on May 8. The railroads will be hereinafter referred to as respondents.

The surcharge, consisting of one-half of the current Pullman charge for the space occupied by the passenger, was established on August 26, 1920, as a result of the report of the commission in Increased Rates, 1920, 58 I. C. C. 220, and accrues wholly to respondents. On July 20, 1920, after the close of the hearings in Increased Rates, 1920, the United States Labor Board awarded material increases in wages to railroad employees and the surcharge was one of the ways thereafter devised to provide the additional revenue to meet this emergency. It was not necessarily established as a permanent charge.

A somewhat similar charge, known as an additional passage charge and amounting to 16⅔ per cent of the normal one-way passenger fare in the case of standard Pullman cars and 8⅓ per cent in the case of tourist cars, was established by the Director General of Railroads on June 10, 1918, but the charge proved to be so unpopular that it was canceled on December 1, 1918.

The present surcharge, which is applicable to all interstate Pullman travel and to all intrastate Pullman travel except in the States of North Carolina and West Virginia, amounts to approximately 10 per cent of the one-way passenger fare and yields approximately 3.3 mills per passenger mile from passengers traveling in standard Pullman cars and one-half of that amount from passengers traveling in tourist cars. In 1922 it produced revenue of $32,891,124, and in 1923, $37,490,869, or slightly over 3 per cent of the total passenger revenues of respondents for those years. By districts, the surcharge amounted in 1922 to $14,872,004 for the eastern, including the Pocahontas region; $13,780,549 for the western; and $4,238,571 for the southern; and in 1923 $16,035,003 for the eastern, $15,695,403 for the western, and $5,760,463 for the southern. In the amounts shown for 1923 the Pocahontas region is included in the southern district.

Respondents seek to justify the continuance of the surcharge on two general grounds—first, that it costs them more to transport passengers in Pullman cars than in day coaches, and, second, that the superior accommodations furnished passengers in Pullman cars justifies charging them a higher transportation rate than charged passengers using the day coaches.

Chief among the things cited by respondents as creating the alleged higher cost to them of handling the Pullman traffic is the greater weight transported per passenger. Respondents made studies to ascertain, among other things, the average weight, occupancy, and earnings of Pullman cars as contrasted with day coaches, and the results are set forth below:

	Average weight		Average occupancy		Average car-mile earnings [1]	
	Pullman	Day coaches	Pullman	Day coaches	Pullman	Day coaches
					Cents	*Cents*
Eastern district	148,915	124,140	[2] 13.59	27.44	43.5	87.8
Western district	144,640	97,647	11.46	14.36	36.95	46.27
Southern district	148,987	110,068	11.30	19.21	36.5	62.1

[1] Excluding surcharge.
[2] Sleeping cars—Parlor car occupancy, 18.56.

The figures submitted for the eastern and southern districts are based on studies covering selected runs for one week in May, 1923. While respondents were undoubtedly sincere in endeavoring to select runs which they considered representative, it is obvious that the judgment exercised in making the choice might materially affect the results. Furthermore, the studies which are based on the heavier passenger-carrying sections of defendants' lines are not fair to the Pullman traffic, at least from the standpoint of occupancy and car-mile earnings, for they constitute a comparison of the normal Pullman travel with the best of the coach travel. Comparisons of results of Pullman and coach operations should be predicated on the entire business of both services. The figures shown for the western district present perhaps the fairest comparison, but even these, in the case of car weights at least, are fairly subject to criticism, as they do not reflect the varying use of different classes of cars. In other words, the average car weights shown are not weighted averages. It is reasonably certain, however, that the average weight of Pullman cars is considerably greater than the average weight of day coaches. But there are many individual steel coaches that weigh nearly as much as the steel Pullman cars and more than the wooden Pullman cars, and there is as great or greater difference in weight between different classes of day coaches as between day coaches and Pullman cars. Furthermore, the heavy steel coaches are usually used in trains carrying steel Pullman cars on the long, heavy passenger runs. Figures submitted by the Pullman Co. show that for the month of April, 1923, the average occupancy of sleeping cars was 14.44 passengers and of parlor cars 17.77 passengers. The average occupancy of all coaches in the United States for 1922, excluding commutation travel, was 15.88 passengers and of all sleeping and parlor cars 12.82 passengers. The average car-mile earnings for the United States were 52.69 cents for coaches and 42.55 cents for sleeping and parlor cars, excluding the surcharge.

Among other things cited by respondents as creating the alleged higher operating costs to them of handling the Pullman traffic are extra switching incident to parking sleeping cars at stations for use by passengers prior to train departures or subsequent to train arrivals; added use of passenger terminals by reason of such parking and the necessity of keeping available different classes of Pullman cars to meet the varying demands of Pullman travel; extra switching at junction points of Pullman cars in connection with through travel and at terminals in making up trains; furnishing of sanitary cans for Pullman cars parked at stations; greater deadheading; furnishing and hauling

of observation cars and other special facilities; and greater use of the telephone and telegraph service in arranging Pullman accommodations.

Against the added expenses to respondents of handling the Pullman traffic already enumerated there is among other things the saving of capital investment in and maintenance and inside cleaning of the Pullman cars. In the case of the Pennsylvania, New York Central, and New York, New Haven & Hartford there is a further saving of running expenses as hereinafter more specifically set forth.

The following table shows for 1923 the revenue accruing to respondents under their contracts with the Pullman Co.:

	Average number of Pullman cars operated	Pullman contract revenue due railroads	Average contract revenue per car operated	Number of Pullman car-miles run	Average mileage per car
Eastern district:					
Baltimore & Ohio R. R.	202.69	$97,077.41	$478.95	28,313,373	139,688
Chesapeake & Ohio Ry.	80.26	88,991.87	1,750.93	6,761,756	134,586
Chicago & Eastern Illinois R. R.	36.84	3,374.66	91.60	4,573,495	124,145
Delaware, Lackawanna & Western R. R.	43.54	34,915.35	801.91	4,931,766	113,270
Delaware & Hudson Co.	15.40	48,493.78	3,148.95	1,844,033	119,742
Erie Railroad	30.54	30,727.75	1,006.15	4,860,796	159,162
Lehigh Valley R. R.	37.69	42,303.65	1,122.41	5,174,027	137,279
Norfolk Western R. R.	46.14	35,963.05	779.43	6,079,835	131,769
New York Central System	820.81	512,501.59	624.39	124,952,194	152,230
New York, New Haven & Hartford R. R.	195.74	140,000.60	715.23	17,296,041	88,362
Pennsylvania System	838.02	574,661.06	685.74	122,133,734	145,741
Richmond, Fredericksburg & Potomac R. R.	27.45	54,367.99	1,980.62	3,926,617	143,046
Total		1,662,388.16			
Southern district:					
Alabama & Vicksburg R. R.	2.43	2,632.21	1,083.21	319,682	131,556
Alabama Great Southern R. R.	10.49	23,214.94	2,213.05	1,698,160	161,884
Atlantic Coast Line R. R.	126.45	115,971.03	917.13	20,285,660	160,424
Cincinnati, New Orleans & Texas Pacific Ry.	27.59	38,638.25	1,400.44	4,505,158	163,290
Florida East Coast Ry.	39.84	78,000.24	1,957.84	6,175,920	155,018
Illinois Central R. R.	113.77	296,626.99	2,607.25	18,173,956	159,743
Louisville & Nashville R. R. (including Georgia R. R.)	144.12	68,920.29	478.21	20,086,361	139,372
Nashville, Chattanooga & St. Louis R. R.	31.70	15,718.66	495.86	3,760,209	118,619
New Orleans & Northeastern R. R.	5.06	5,971.12	1,180.06	839,449	165,899
Seaboard Air Line Ry.	75.45	65,492.87	735.49	10,918,907	144,717
Southern Ry. Co.	178.01	512,351.19	2,878.22	25,175,597	141,428
Western Ry. of Alabama	7.90	26,596.10	3,366.59	1,469,796	126,455
Total		1,240,133.89			
Western district:					
Atchison, Topeka & Santa Fe Ry.	377.83	1,255,158.71	3,322.62	67,075,263	177,528
Chicago & Alton R. R.	38.51	7,816.53	202.97	4,172,084	108,338
Chicago, Burlington & Quincy R. R.	161.61	489,977.38	3,031.85	25,922,493	160,402
Colorado & Southern Ry.	26.76	72,630.99	2,714.16	3,330,786	124,469
Chicago & Northwestern Ry.	132.86	419,136.63	3,154.72	21,547,124	162,179
Chicago, St. Paul, Minneapolis & Omaha Ry.	28.43	90,276.92	3,175.41	3,963,871	139,426
Chicago, Rock Island & Pacific Ry.	165.40	376,944.95	2,278.99	25,009,986	151,209
Denver & Rio Grande Western R. R.	48.90	34,060.25	696.53	6,691,220	136,835
El Paso & Southwestern System	18.12	10,240.25	704.91	3,289,460	181,538
Gulf Coast Lines	15.37	11,018.25	716.87	1,993,090	129,674
Los Angeles & Salt Lake R. R.	52.41	275,838.41	5,263.09	9,078,689	173,213
Missouri-Kansas-Texas Lines	81.54	7,940.74	97.38	10,808,965	132,552
Missouri Pacific (including St. L. I. M. & S.)	99.79	16,588.42	166.23	12,787,445	128,144
Northern Pacific Ry.	110.44	294,903.58	2,670.26	16,960,400	153,571
St. Louis-San Francisco Ry.	91.93	191,689.50	2,078.64	11,411,370	124,131
Southern Pacific Co.	455.06	1,703,266.67	3,742.95	67,635,721	148,630
Texas & Pacific Ry.	48.56	34,327.70	706.91	6,033,624	124,230
Union Pacific System	263.10	939,334.31	3,572.16	45,450,515	172,750
Western Pacific Ry.	24.13	24,819.20	1,028.56	4,215,995	174,720
Total		6,255,869.39			
Total United States		9,158,391.44			

In addition to the payments of contract revenue to the Pennsylvania and New York Central indicated above, the Pullman Co. paid on these two lines all running Pullman-car expenses, such as expenses for lubrication, ice, water, heat, and light. On the New York, New Haven & Hartford the Pullman Co. bore a large part, but possibly not all of these running expenses. The aggregate amount of running expenses borne by the Pullman Co. on these three roads was $3,282,629.81, divided as follows:

	Amount	Average per car
New York Central system	$1,611,229.61	$1,962.98
Pennsylvania system	1,451,485.07	1,732.04
New York, New Haven & Hartford	219,915.13	1,123.51

Adding to these payments for running expenses the contract revenue payments results in aggregate per car payments by the Pullman Co. to the three roads in question during 1923 of $2,587.37 in the case of the New York Central, $2,417.78 in the case of the Pennsylvania, and $1,838.74 in the case of the New Haven. The railroads which, owing to the low Pullman earnings, did not participate in the Pullman revenues accruing on their lines during 1923 are shown below:

	Average number of Pullman cars operated	Number of Pullman car-miles run	Average mileage per car
Eastern district:			
Buffalo, Rochester & Pittsburgh Ry.	4.23	467,372	110,490
Central R. R. Co. of New Jersey	16.54	1,264,597	76,457
Chicago, Indianapolis & Louisville Ry.	30.35	2,702,383	89,041
Hocking Valley Ry.	3.74	226,901	60,669
New York, Chicago & St. Louis R. R.	9.15	1,412,337	154,354
New York, Chicago & St. Louis R. R. (Clover Leaf district)	2.02	332,656	164,681
Toledo, Peoria & Western Ry.	1.32	74,227	56,233
Wabash Ry.	60.68	7,423,341	122,418
Western Maryland Ry.	.22	13,371	60,777
Southern district:			
Atlanta, Birmingham & Atlantic Ry.	3.71	388,108	104,611
Georgia Southern & Florida Ry.	14.14	1,979,492	139,992
Mobile & Ohio R. R.	7.80	1,181,763	151,508
Western district:			
Chicago Great Western R. R.	20.15	3,985,971	132,205
International & Great Northern Ry.	16.14	2,122,159	131,484
Kansas City Southern Ry.	16.58	1,917,153	115,630
Minneapolis & St. Louis R. R.	5.73	649,124	113,285
Minneapolis, St. Paul & Sault Ste. Marie Ry.	19.35	2,909,417	150,357
San Antonio & Aransas Pass Ry.	2.22	115,600	52,072
San Antonio, Uvalde & Gulf R. R.	3.13	216,547	69,184
St. Louis Southwestern Ry. and St. Louis Southwestern Ry. of Texas	12.82	1,500,234	117,023
Spokane, Portland & Seattle Ry.	13.40	1,873,571	139,819
Vicksburg, Shreveport & Pacific Ry.	3.59	432,216	120,394

It is interesting to note that the Baltimore & Ohio during 1922 received no revenue from the Pullman Co. under its contract and in 1923 received less than $500 per car, whereas its chief competitor, the Pennsylvania, received the equivalent of $2,500 per car for each year. This indicates one of two things, either that the contract between the Pullman Co. and the Baltimore & Ohio is very much less favorable to the Baltimore & Ohio than the contract between the Pullman Co. and the Pennsylvania is to the Pennsylvania, or that the Baltimore & Ohio is running much more space per passenger carried than the Pennsylvania. In this connection it may be stated that studies of Pullman car occupancy submitted in evidence indicate that on many roads sleeping cars are operated practically on a lower-berth basis. It would seem that somewhat greater use of upper berths could be enforced on many roads without seriously inconveniencing the traveling public.

There is set forth as an appendix hereto a statement showing for class I railroads surcharge collections and rate of return on investment for 1923. The rate of return is computed on basis of the 1922 investment and 1923 net railway operating income. Of the $16,035,033 surcharge collected in the eastern district $13,664,541 accrued to the New York Central, Pennsylvania, New Haven, and Baltimore & Ohio system lines. Of these all but the Baltimore & Ohio received heavy payments from the Pullman Co. under their contracts, the average being approximately $2,500 per car. Of the remaining $2,370,462 the Delaware & Hudson, Lehigh Valley, and Erie, with contract payments of $3,148.95, $1,122.41 and $1,006.15 per car, respectively, received $449,365, leaving less than $2,000,000 received by roads which had no contract payments or payments of less than $1,000 per car. The situation on the Baltimore & Ohio, which is something of an enigma, has already been commented on. In the western district 11 railroads, receiving from the Pullman Co. contract payments averaging $3,274.17 per car, received $10,552,892 of the $15,695,403 surcharge collected. Eleven other railroads receiving contract payments ranging from $97.38 to $1,028.56 per car received $1,999,425 of the remainder of $5,142,511. Of the latter the Chicago, Milwaukee & St. Paul, which operates its own cars, and therefore received all the revenue from the sale of parlor and sleeping-car space, collected $761,866. In the

southern district 10 railroads with average contract payments from the Pullman Co. of $2,433.88 per car, received $3,010,066 of the $5,760,463 surcharge collected in that district, and five other railroads with contract payments ranging from $478.21 to $917.13 per car collected $2,081,693 of the remainder of $2,750,397. From the above it will be seen that the greater part of the surcharge goes to railroads which receive substantial payments from the Pullman Co. under their contracts.

The extent, if any, to which the surcharge has curtailed travel on Pullman cars is somewhat conjectural. Respondents submitted statistics showing that over a period of years Pullman travel has increased in greater ratio than day-coach travel and that since the establishment of the surcharge the falling off of Pullman travel has not been as great as the falling off of coach travel. Immediately following the establishment of the surcharge there was a marked falling off of Pullman travel, but this was undoubtedly due in considerable measure to the fact that the deflation period commenced at about that time.

The sleeping and parlor car passenger miles for the years 1919 to 1922, inclusive, were 13,387,182,735, 14,279,557,237, 11,133,647,492, and 11,233,301,727, respectively, while the coach passenger miles for the same period were 32,971,121,005, 32,569,110,750, 26,178,038,474, and 24,273,920,273, respectively. Commencing with 100 per cent for 1919 as a premise, the sleeping and parlor passenger miles increased to 106.67 per cent in 1920, and decreased to 83.17 and 83.91 per cent, respectively, in 1921 and 1922, whereas the coach passenger miles decreased to 98.78 per cent in 1920, 79.40 per cent in 1921, and 73.62 per cent in 1922. There is, of course, no way of ascertaining what the situation would have been had the surcharge not been in effect. It is reasonable to believe, however, especially considering that it has been a great irritant to the traveling public, that the surcharge has resulted in considerable loss of business from the Pullman cars.

In the early days of the operation of Pullman cars the Pullman Co. received all the revenue from the sale of seats and berths and in addition the railroads generally paid the Pullman Co. mileage for the use of the cars in the event that the revenue derived from the sale of seats and berths did not reach specified minimum amounts. As the Pullman business grew, railroad participation in the Pullman earnings commenced and has steadily increased, until to-day it amounts to over $9,000,000 a year. It would seem that if the early arrangements were advantageous to the railroads the present-day arrangements should be very much more so without the imposition of the surcharge. But assuming that, as contended by the railroads, they are not adequately compensated under their contracts with the Pullman Co. for hauling the greater weight per passenger in the Pullman cars, does that constitute a ground for imposing a surcharge to recoup losses growing out of their improvidence in failing to make contracts which would afford them proper compensation for the service of hauling the cars? In our judgment it does not.

The Pullman passenger receives a higher class of service than the coach passenger and should pay more for it, but the payments should be through the Pullman charge proper and not spread out in two charges, one collected by the Pullman Co. and the other by the railroad. Under such an arrangement the Pullman charges could be so adjusted as to produce the revenue necessary to enable the Pullman Co. to meet its obligations to the railroads and also provide a fair return on its own operations. Under the present system, with two transportation agencies charging for what should be one service, opportunity for duplicate and excessive charges is multiplied and regulation rendered more difficult. The present system, devised temporarily to meet an emergency, is illogical and unscientific as a permanency.

Greater uniformity in the contracts between the Pullman Co. and the railroads would seem to be desirable. The present contracts are the result of bargaining between the Pullman Co. and the railroads, with the natural result of the larger roads getting the more favorable contracts. There is also considerable variation in the contracts with the larger roads. For instance, on the Southern Pacific there is participation by that road in the Pullman earnings after the earnings per standard car average $7,250, whereas on the Santa Fe there is no participation by the railroad until the per car earnings, speaking still of standard cars, average $9,000. Of course, it must be taken into consideration that the Southern Pacific contract was made in 1912, at a time when operating costs were much lower than at present, whereas the Santa Fe contract was made in 1923. But the Southern Pacific contract has six years yet to run, and assuming that at the end of that period it is succeeded by the same class of contract as in effect on the Santa Fe, there will still be in the interim a different treatment of these two great competing transportation agencies. This of itself is a strong indictment of the present system of making the contracts. The relations between the Pullman Co. and the railroads should be subject to more complete regulation by this commission. It is doubtful whether jurisdiction lies with the commission under the existing law to prescribe divisions of earnings between the Pullman Co. and the railroads, and the commission should request the Congress to correct any deficiencies in the law so that it may have full jurisdiction to prescribe all the terms and conditions as between the Pullman Co. and the railroads under which the Pullman cars shall be operated.

Considering that in connection with the handling of Pullman traffic as compared with day-coach traffic, respondents are saved the capital investment in Pullman equipment and other facilities necessary to maintain and to an extent operate the cars; that they are saved the expense of inside cleaning of the cars; that they are saved the cost of repairs and maintenance of the cars; that most of respondents are receiving substantial payments out of the charges collected for the Pullman service proper; that the greater part of the surcharge is collected for the roads which are receiving the heaviest payments from the Pullman Co.; that the average hauls of Pullman passengers is several times the average haul of coach passengers; that most of the Pullman travel is over the parts of respondents' lines which have the greatest density of traffic and lowest ton-mile operating costs; that Pullman cars are utilized to a considerable extent in the transportation of railroad officials and employees engaged in other branches of railroad service; that there can be enforced without unduly inconveniencing the traveling public more economical use of space on many roads; that the present passenger fare was established for application to both coach and Pullman travel; that there has been no reduction in passenger charges corresponding to the reduction made in 1922 in freight charges and the relationship prescribed in 1920 between passenger and freight charges has accordingly been disturbed; that there will probably be some stimulation of Pullman business as a result of the removal of the surcharge; and, further, because if, as contended by respondents, they are not adequately compensated under their contracts for hauling the greater weight per passenger in the Pullman cars, and furnishing the other extra services in connection with the hauling of the Pullman cars, they should secure that extra compensation from the Pullman Co. rather than through a separate charge for what should be treated as one service, it is believed that the time has come when the commission may well eliminate the surcharge.

It is accordingly recommended that the commission find that the practice of respondents of assessing a surcharge on Pullman-car travel is unjust and unreasonable and that the commission order that the practice be discontinued.

APPENDIX

Pullman surcharge and rate of return on investment, Class I roads, 1923 [1]

Name of district, region, and road	Pullman surcharge collections, year ended Dec. 31, 1923	Rate of return on investment
Eastern district:		
New England region—		
Atlantic & St. Lawrence R. R	$8,440	
Bangor & Aroostook R. R	7,266	5.56
Boston & Maine R. R	292,484	1.39
Canadian Pacific Ry. (lines in Maine)	16,084	
Central New England Ry	7	3.70
Central Vermont Ry	28,417	.71
Maine Central R. R	102,617	3.21
New York, New Haven & Hartford R. R	1,333,070	3.47
Rutland R. R	47,877	3.55
Total New England region	1,836,262	
Great Lakes region—		
Ann Arbor R. R	953	2.41
Buffalo, Rochester & Pittsburgh Ry	19,561	4.32
Chicago & Erie R. R	17,475	1.17
Delaware & Hudson Co	97,344	5.69
Delaware, Lackawanna & Western R. R. (system)	248,488	5.68
Detroit & Mackinac Ry	5,511	2.01
Detroit, Grand Haven & Milwaukee Ry	13,100	7.86
Erie R. R	140,931	4.31
Grand Trunk Western Ry	65,543	4.02
Lehigh Valley R. R	211,090	2.91
Michigan Central R. R	904,951	12.38
Monongahela Ry	2,928	5.34
New Jersey & New York R. R	8	
New York Central R. R	4,135,789	6.23
New York, Chicago & St. Louis R. R	43,528	5.74
New York, Ontario & Western Ry	23,079	1.16
Pere Marquette Ry	121,709	6.02
Pittsburgh & Lake Erie R. R	38,749	17.76
Ulster & Delaware R. R	2,150	2.55
Wabash Ry	286,672	3.97
Total Great Lakes region	6,379,559	
Central Eastern region—		
Atlantic City R. R	5,400	
Baltimore & Ohio R. R	906,385	5.84
Baltimore, Chesapeake & Atlantic Ry	865	
Buffalo & Susquehanna R. R. Corp	19	5.44
Central R. R. of New Jersey	57,890	2.85

[1] On basis of 1922 investment and net railway operating income for 1923. Investment figures for 1923 not yet available.

Pullman surcharge and rate of return on investment, etc.—Continued

Name of district, region, and road	Pullman surcharge collections, year ended Dec. 31, 1923	Rate of return on investment
Eastern district—Continued.		
Central Eastern region—Continued		
Chicago & Eastern Illinois Ry	$191,873	4.17
Cincinnati, Indianapolis & Western R. R	5,372	1.81
Chicago, Indianapolis & Louisville Ry	129,528	5.32
Cleveland, Cincinnati, Chicago & St. Louis Ry	712,468	6.96
Hocking Valley Ry	23,106	4.47
Long Island R. R	31,288	4.31
Pennsylvania R. R	5,584,293	4.22
Philadelphia & Reading Ry	72,500	9.86
West Jersey & Seashore R. R	87,585	3.38
Western Maryland Ry	2,271	3.34
Wheeling & Lake Erie Ry	8,339	3.17
Total Central Eastern region	7,819,182	
Total Eastern district	16,035,003	
Pocahontas region:		
Chesapeake & Ohio Ry	321,902	6.27
Norfolk & Western Ry	237,572	6.02
Richmond, Fredericksburg & Potomac R. R	187,956	11.85
Virginian Ry	5,266	5.02
Total, Pocahontas region	752,696	
Southern region:		
Alabama & Vicksburg Ry	15,004	8.14
Alabama Great Southern R. R	68,017	9.66
Atlanta & West Point R. R	29,429	6.98
Atlanta, Birmingham & Atlantic Ry	8,671	
Atlantic Coast Line R. R	736,445	7.37
Carolina, Clinchfield & Ohio Ry. (system)	2,486	4.16
Central of Georgia Ry	187,142	4.98
Charleston & Western Carolina Ry	435	4.80
Cincinnati, New Orleans & Texas Pacific Ry	152,891	9.05
Florida East Coast Ry	262,683	5.53
Georgia R. R. Lessee Organization	35,931	8.90
Georgia & Florida Ry	3,068	1.40
Georgia Southern & Florida Ry	56,767	4.94
Gulf & Ship Island R. R	5,563	3.62
Columbus & Greenville Ry	68	.02
Illinois Central R. R	726,935	5.65
Louisville & Nashville R. R	725,267	5.94
Louisville, Henderson & St. Louis Ry	23,929	6.81
Mississippi Central R. R	52	3.27
Mobile & Ohio R. R	22,698	5.77
Nashville, Chattanooga & St. Louis Ry	172,150	4.88
New Orleans & Northeastern R. R	25,631	4.57
New Orleans Great Northern R. R	1,446	4.24
Norfolk Southern R. R	15,647	3.89
Northern Alabama Ry	32	6.99
Seaboard Air Line	411,909	4.01
Southern Ry	1,209,894	5.47
Tennessee Central Ry	7,739	8.95
Western Ry. of Alabama	39,153	7.45
Yazoo & Mississippi Valley R. R	60,694	2.80
Total, Southern region	5,007,767	
Total, Southern district (including Pocahontas region)	5,760,463	
Western district:		
Northwestern region—		
Chicago & North Western Ry	912,242	3.46
Chicago Great Western R. R	139,081	1.27
Chicago, Milwaukee & St. Paul Ry	761,866	2.89
Chicago, St. Paul, Minneapolis & Omaha Ry	171,139	3.49
Duluth & Iron Range R. R	376	5.75
Duluth, Missabe & Northern Ry	798	22.76
Duluth, South Shore & Atlantic Ry	23,368	1.25
Duluth, Winnipeg & Pacific Ry	4,004	.60
Great Northern Ry	401,121	5.56
Minneapolis & St. Louis R. R	13,790	1.26
Minneapolis, St. Paul & Sault Ste. Marie Ry	242,917	3.94
Northern Pacific Ry	582,457	3.19
Oregon-Washington Railroad & Navigation Co	239,140	.64
Spokane, International Ry	2,843	2.35
Spokane, Portland & Seattle Ry	53,611	3.04
Total, Northwestern region	3,548,753	
Central Western region—		
Arizona Eastern R. R	5,400	4.40
Atchison, Topeka & Santa Fe Ry	2,660,740	5.62
Chicago & Alton R. R	249,245	3.67
Chicago, Burlington & Quincy R. R	918,358	4.74
Chicago, Rock Island & Gulf Ry	30,150	3.82
Chicago, Rock Island & Pacific Ry	796,774	3.90
Colorado & Southern Ry	69,857	.92
Denver & Rio Grande Western R. R	281,361	1.73
El Paso & Southwestern Co	95,761	3.13
Fort Worth & Denver City Ry	73,923	9.47
Los Angeles & Salt Lake R. R	379,326	4.08
Northwestern Pacific R. R	27,955	2.03
Oregon Short Line R. R	242,407	4.79
Panhandle & Santa Fe Ry	40,483	4.49
St. Joseph & Grand Island Ry	2,588	.94
Southern Pacific Co. (Pacific System)	2,258,582	5.51
Toledo, Peoria & Western Ry	2,548	
Union Pacific R. R	1,115,842	7.73
Western Pacific R. R	159,823	3.03
Total Central Western region	9,411,123	

Pullman surcharge and rate of return on investment, etc.—Continued

Name of district, region, and road	Pullman surcharge collections, year ended Dec. 31, 1923	Rate of return on investment
Western district—Continued		
Southwestern region—		
Beaumont, Sour Lake & Western Ry	$8,283	10.89
Fort Smith & Western Ry	5,856	.53
Fort Worth & Rio Grande Ry	12,350	
Galveston, Harrisburg & San Antonio Ry	277,610	2.82
Gulf, Colorado & Santa Fe Ry	105,510	6.59
Houston & Texas Central R. R	150,700	4.57
Houston East & West Texas Ry	16,255	1.86
International Great Northern R. R	72,044	5.35
Kansas City Southern Ry	54,224	2.99
Louisiana & Arkansas Ry	81	6.73
Louisiana Ry. & Navigation Co	6,981	.58
Louisiana Ry. & Navigation Co. of Texas	587	
Louisiana Western R. R	45,684	9.24
Missouri, Kansas & Texas R. R	195,543	3.89
Missouri, Kansas & Texas R. R. of Texas	202,412	
Missouri Pacific R. R	485,832	2.31
Morgan's Louisiana & Texas Railroad & Steamship Co	70,291	.77
New Orleans, Texas & Mexico Ry	12,060	6.46
St. Louis, Brownsville & Mexico Ry	38,585	11.62
St. Louis-San Francisco Ry	51,825	4.87
St. Louis, San Francisco & Texas Ry	9,158	1.18
St. Louis Southwestern Ry	29,052	7.94
St. Louis Southwestern Ry. of Texas	14,967	
San Antonio & Aransas Pass Ry	7,560	3.42
San Antonio, Uvalde & Gulf R. R	11,489	2.07
Texarkana & Fort Smith Ry	4,854	17.61
Texas & New Orleans R. R	56,680	
Texas & Pacific Ry	270,520	4.10
Vicksburg, Shreveport & Pacific Ry	16,820	6.97
Wichita Valley Ry	1,714	7.06
Total, Southwestern Region	2,735,527	
Total, Western District	15,695,403	
Total, United States	37,490,869	

SALE OF ARMS TO MEXICO

Mr. WALSH of Montana. Mr. President, some time ago, in response to a resolution introduced by myself, the Secretary of War transmitted to the Senate a report concerning arms sold to the Republic of Mexico. Considerable interest has been displayed by the public in this report, and I ask unanimous consent that it be printed as a public document.

The PRESIDENT pro tempore. Without objection, the report will be printed as a public document.

The order was reduced to writing, as follows:

Ordered, That the communication from the Secretary of War transmitting in response to Senate Resolution 193, agreed to March 20, 1924, further information relative to the sale of arms and munitions to the Government of Mexico, be printed as a document.

INCREASE OF PENSIONS—VETO MESSAGE (S. DOC. NO. 103)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

The reading clerk read the message, as follows:

To the Senate:

I am returning herewith Senate bill 5, "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars, and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, and to certain Spanish War soldiers, and certain maimed soldiers, and for other purposes," without my approval.

For the next fiscal year the effect of this act will be to take an additional $58,000,000 of the moneys paid by the taxpayers of the Nation and add it to the pension checks of the veterans of the wars from 1812 to 1902 and their widows and dependents. This is the effect for the first year; but the burden upon the taxpayers will continue for many years to come. While impossible of accurate estimation, the Commissioner of Pensions states that the proposed addition to the pension roll will total approximately $242,000,000 for the first five years and $415,000,000 for the first 10 years.

No conditions exist which justify the imposition of this additional burden upon the taxpayers of the Nation. All our pensions were revised and many liberal increases made no longer ago than 1920. Every survivor of the Civil War draws $50 per month, and those in need of regular aid and attendance, which already includes 41,000 of them, draw $72 per month. As others come to need this the law already gives it to them. The act also proposes to extend the limits of the war period from

April 13, 1865, to August 20, 1866, so that those who enlisted during this year and four months of peace now become eligible for the same treatment as those who fought through the war. There are other questionable provisions providing for the pensioning of civilians and relating to the pensioning of certain classes of widows.

But the main objection to the whole bill is the unwarranted expenditure of the money of the taxpayers. It proposes to add more than 25 per cent to the cost of the pension roll. It is estimated that it would bring the total pension bill of the country to a point higher than ever before reached, notwithstanding it is now nearly 60 years since the close of the Civil War. A generous Nation increased its pensions to well over a quarter of a billion annually, and has already bestowed nearly $6,250,000,000 in pensions upon the survivors of that conflict and their dependents. While there has been some decrease in the annual expense, it is now proposed by a horizontal increase to pay all survivors $72 each month, without regard to age, to their physical condition, or financial condition. With the other proposals a new high record of cost would be established.

The need for economy in public expenditure at the present time can not be overestimated. I am for economy. I am against every unnecessary payment of the money of the taxpayers. No public requirement at the present time ranks with the necessity for the reduction of taxation. This result can not be secured unless those in authority cease to pass laws which increase the permanent cost of Government. The burden on the taxpayers must not be increased; it must be decreased. Every proposal for legislation must be considered in the light of this necessity. The cost of commodities is diminishing. Under such conditions the cost of Government ought not to be increasing. The welfare of the whole country must be considered. The desire to do justice to pensioners, however great their merit, must be attended by some solicitude to do justice to taxpayers. The advantage of a class can not be greater than the welfare of the Nation.

CALVIN COOLIDGE.

THE WHITE HOUSE, *May 3, 1924.*

Mr. BURSUM. Mr. President, I ask that the message be printed and lie on the table; and I desire to serve notice that I shall move to take up the message for consideration upon Tuesday next.

Mr. BRUCE. Mr. President, is unanimous consent necessary in that case?

Mr. FLETCHER. No; the Senator simply gives notice of his intention.

Mr. BRUCE. I was simply going to say that it seems to me there is no reason why we should not act on it now, instead of postponing it until next Tuesday.

The PRESIDENT pro tempore. Allow the Chair to state that in order to comply with the Constitution and the precedents of Congress it will be necessary that the Chair shall state the question, which is, Shall the bill pass, the objections of the President to the contrary notwithstanding? In accordance with the request of the Senator from New Mexico, the message will be printed and lie on the table until the Senate decides to bring it forward for consideration.

POLITICAL INCIDENTS

Mr. CARAWAY. Mr. President, there does not seem to be anything before the Senate except an understanding that is to be arrived at by Senators on the other side to try to override the veto of the President.

I want to read into the RECORD a little story of a harmonious Republican convention which was held in Memphis, Tenn., on the 29th of last month. Incidentally, may I explain that the trouble arose between the white and the black-and-tan Republicans about which should sit on the front seats. The white folks said they were entitled to sit on the front seats, but the negroes got there first and sat there. Before they could indorse the President they had to have all the police force and most of the deputy sheriffs in Shelby County, Tenn., to pull chairs off each others heads, where they had hung them in the little friendly argument.

Since this shows such beautiful harmony among the Republicans when it comes to indorsing what my friend from Ohio [Mr. WILLIS] says is the cold-storage plant of the Republican Party, I want to read this little touching story. It reads:

FIGHT BETWEEN RACES IS G. O. P. MEETING FEATURE—ROW OVER WHETHER WHITES OR BLACKS SHOULD OCCUPY FRONT-ROW SEATS PRECIPITATES ROUGH-AND-TUMBLE BATTLE AT MEMPHIS

MEMPHIS, April 29.—Police and deputy sheriffs participated in the tenth district Republican convention here to-day when the races clashed in a riot over the question of whether negroes or whites should occupy the front-row seats in the convention hall—the basement of the Shelby County courthouse.

Nobody knew exactly how the riot started, but the fight got away to a good start before the officers arrived and restored order. Chairs and fists were employed as weapons and several members of both the white and negro delegations were slightly injured. None was seriously hurt.

One negro was injured when he was struck on the head by a chair which he declared was hurled at Bob Church, local negro political leader. Church emerged from the fray unscratched. A deputy sheriff suffered a slight bruise as he entered the hall with other officers to quell the riot.

Many of the negro delegates climbed through the windows to the street, but when order was restored they returned to the hall and found seats to the rear of the white delegation.

I imagine if my good friend from New Hampshire [Mr. MOSES], who was delegated to handle the negroes for Wood in his delegation in 1920, had been present, he could have quelled the riot with less force, possibly, owing to the arguments he said he used at that time to corral negroes. I read further:

Then C. H. King, leader of the so-called black-and-tan faction, seized the chair and called the convention to order. He was overridden on the first ruling he made and the "lily-white" faction assumed control of the meeting, electing Harry Spears first as temporary chairman and then as permanent chairman. King and his followers "bolted" and organized a convention of their own in another section of the chamber.

The "regular"—

And the Lord never knows who are the regulars; you can not even tell who is regular here in the Senate on the Republican side—

The "regular" convention elected J. M. Johnson and H. O. True as delegates to the national convention and indorsed John Farley for delegate at large. They also adopted a set of resolutions and indorsed President Coolidge.

I merely wanted to call attention to the fact that they could not indorse the President until they had had a riot.

Mr. HEFLIN. Mr. President, the remarks of the Senator from Arkansas [Mr. CARAWAY] concerning the Republican convention at Memphis reminded me of something that occurred in 1916, when the Republican convention was in session at Chicago. I was going down Pennsylvania Avenue and stopped in front of the Star Building to look at the bulletin board and read the announcements as to the doings of the Republican convention. Old Uncle Rufus, a good old Virginia negro, was standing there, and he said:

"Boss, I ain't got my glasses, and I cain't read what's on the billiken board. Who did the Republicans nominate?"

I said, "They nominated Hughes."

He said, "Hughes? I ain't never heerd tell of him. Who did the Progressives nominate?"

I said, "They nominated Roosevelt; but he hasn't decided yet whether he will accept the nomination or not."

He said, "Yas, suh." He was silent for a moment, and then said, "Who do you suppose the white folks gwine nominate this time?" [Laughter.]

THE MERCHANT MARINE

Mr. FLETCHER. Mr. President, I have been receiving a number of inquiries, not only from South Atlantic and Gulf ports but from other portions of the country, with regard to the order putting into effect section 28 of the merchant marine act of 1920. The act provided that it might be made enforceable by the order of the Interstate Commerce Commission on a certificate from the Shipping Board that there was an adequate American tonnage to take care of the business through the various ports. That certificate was made some time back this year, and an order was made putting section 28 into effect, I think, to begin on May 20, but it has now been postponed until June 20.

In the meantime at a number of ports throughout the country chambers of commerce, shippers, and shipping interests have become very much exercised. They are apprehensive that it will mean great interruption to business and will very seriously affect trade conditions. That is especially true in some portions of the Gulf States, at Galveston and New Orleans, Mobile, and Pensacola. There it is felt that there is not a sufficient number of ships under our flag, that we are lacking both in quantity and in type of vessels required to handle the business from those ports. Of course, if that is true, it would be rather unfortunate to have section 28 put into effect at this time.

Mr. SHEPPARD. Mr. President——

Mr. FLETCHER. If the Senator will allow me just a minute——

Mr. SHEPPARD. Certainly.

Mr. FLETCHER. From the very beginning I have been in favor of section 28. I was in favor of it when the bill was passed in 1920 and have felt all along that there were great benefits to American shipping to be derived from the enforcement of that section. Of course, that is predicated and has always been conditioned upon there being an adequate supply of American ships to take care of our trade. I now yield to the Senator from Texas.

Mr. SHEPPARD. The Senator has referred to my State. Let me say to him that the representatives of the independent oil-producing companies have advised me that they now require more than 1,200 tank ships to carry their products abroad from Texas ports; that they are now using tank ships that are owned abroad; that the Shipping Board has less than 50 tank ships available for this service, and that, therefore, they would be placed under very severe hardship if they had to depend on tankers of the Shipping Board. I called that situation to the attention of the Senator from Washington [Mr. JONES], and he has asked the Shipping Board to make a thorough investigation of the situation. I believe I am correct in that statement, am I not?

Mr. JONES of Washington. Yes; the Senator is correct.

Mr. FLETCHER. I had heard of that situation. Of course we are not confined here to the Shipping Board vessels. If there are tankers owned by American oil companies adequate in capacity and number to meet the needs down there, that would be a compliance with the law. We are not confined to tankers owned by the Shipping Board.

Mr. SHEPPARD. But it is my information the American oil companies that own their own tank ships confine those ships to their own service. Independent oil producers do not own their tank ships and must rely on foreign-owned ships for the present at least.

Mr. FLETCHER. They are dependent on the foreign ships.

Mr. OVERMAN. I am told that at Norfolk and other places along the Atlantic Coast they have not freighters sufficient to carry the freight, the cotton, and the tobacco. I would like to know what the situation is. If the order should go into effect at once, they absolutely could not ship at all. Has the Senator investigated that matter?

Mr. FLETCHER. That is just another instance. The same sort of claim comes from Pensacola, where they require vessels for the movement of lumber, particularly to South American ports. They have been relying upon vessels that fly foreign flags, because the Shipping Board vessels are all "long-legged" fellows and draw too much water for the South American ports. That situation applies also to some extent to New Orleans, Mobile, and other ports. In other words, the kind and type of vessels is as important as sufficiency in number. The ports of nearly all South American countries, and largely the Caribbean countries and Central American countries, are comparatively shallow. It is difficult to operate Shipping Board vessels especially in that trade.

Mr. President, I ask that the statement which I have, entitled "Export and Import Rates" and reciting what has occurred with reference to section 28 and quoting the section itself, may be printed in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

EXPORT AND IMPORT RATES

The theory or underlying principle of export rates is that such rates are the same as domestic rates, except (1) when it is necessary to make lower on classes or commodities as a factor in meeting foreign competition; (2) as a factor in equalizing rates through competing ports; (3) to enable manufacturers of similar articles in widely separated groups to compete with each other on a fairly related basis.

The theory or underlying principle of import rates is to some extent different from that of export rates in that domestic competition, as contrasted with foreign competition, is not the controlling factor to the same extent as in export rates; therefore import rates are usually the same as domestic rates, except (1) when made less to meet port competition and (2) to establish a fair relationship between rates from the ports and rates on like commodities from domestic producing points, distance considered.

SECTION 28, MERCHANT MARINE ACT, 1920

This section reads as follows:

"SEC. 28. That no common carrier shall charge, collect, or receive for transportation subject to the interstate commerce act of persons or property, under any joint rate, fare, or charge, or under any export, import, or other proportional rate, fare, or charge which is based in whole or in part on the fact that the persons or property affected thereby is to be transported to, or has been transported from, any port in a possession or dependency of the United States, or in a foreign country, by a carrier by water in foreign commerce, any lower rate, fare, or charge than that charged, collected, or received by it for the transportation of persons, or of a like kind of property, for the same distance, in the same direction, and over the same route, in connection with commerce wholly within the United States, unless the vessel so transporting such persons or property is, or unless it was at the time of such transportation by water, documented under the laws of the United States. Whenever the board is of the opinion, however, that adequate shipping facilities to or from any port in a possession or dependency of the United States or a foreign country are not afforded by vessels so documented, it shall certify this fact to the Interstate Commerce Commission, and the commission may, by order, suspend the operation of the provisions of this section with respect to the rates, fares, and charges for the transportation by rail of persons and property transported from, or to be transported to, such ports for such length of time and under such terms and conditions as it may prescribe in such order, or in any order supplemental thereto. Such suspension of operation of the provisions of this section may be terminated by order of the commission whenever the board is of the opinion that adequate shipping facilities by such vessels to such ports are afforded, and shall so certify to the commission."

If and when this section is enforced, either in whole or in part, it does not require rail carriers to publish export or import rates less than domestic rates, but, in brief, does require that where export and import rates are published less than the full domestic rates that such lower export and import rates will apply as specified only when moved from or to ports of exit or entry in vessels of American registry, and that the full domestic rates will apply on movement in foreign-line vessels, subject to modification by suspension order of the Interstate Commerce Commission.

Where export rates are made less than domestic rates between the same points it represents what may be termed the rail carriers' contribution to foreign-trade development in aid to marketing our surplus products in foreign countries, and apparently the intent of section 28 is to capitalize this aid in behalf of vessels of American registry.

On February 27, 1924, the United States Shipping Board adopted the following resolution:

"Whereas adequate shipping facilities to handle the transportation of all commerce other than grain between ports of the United States and ports of Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America are now afforded by vessels documented under the laws of the United States: Be it

"*Resolved*, That the United States Shipping Board certify to the Interstate Commerce Commission that the operations of the provisions of section 28 of the merchant marine act of 1920 should not be further suspended by said Interstate Commerce Commission so far as relates to all commodities except grain transported between ports of the United States and Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America: And be it further

"*Resolved*, That the order of the Interstate Commerce Commission made on the 11th day of December, 1920, should be continued in force except as modified pursuant to this certification."

The third supplemental order of the Interstate Commerce Commission, issued March 11, 1924, reads as follows:

"It appearing that section 28 of the merchant marine act, 1920, provides for suspension by the commission of the provisions of that section for such length of time and under such terms and conditions as the commission may by order prescribe upon certification from the United States Shipping Board that adequate shipping facilities in vessels documented under the laws of the United States are not available, and for termination of such suspension by order of the commission upon appropriate certification of the said board;

"It further appearing that by order of June 14, 1920, and supplemental order of July 27, 1920, and second supplemental order of December 11, 1920, the provisions of said section 28 were, upon proper certifications of the United States Shipping Board, suspended until further order of the commission;

"And it further appearing that the United States Shipping Board on February 27, 1924, made further certification to the commission that adequate shipping facilities to handle the transportation of all commodities other than grain between ports of the United States and ports of Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north

of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America are now offered by vessels documented under the laws of the United States;

"It is ordered that said suspension order of June 14, 1920, as modified as aforesaid be, and it is hereby, terminated, effective May 20, 1924, as to the transportation of all commodities other than grain between ports of the United States and ports of Great Britain and Northern Ireland and the Irish Free State, the ports of continental Europe north of and including Bordeaux and the east coast of Asia, the islands of the Pacific Ocean, Australia, and the East India Islands and the ports of Central and South America.

"It is further ordered that tariffs published and filed with the commission by common carriers subject to the interstate commerce act as a result of this order shall be so published and filed upon not less than 15 days' notice to the commission and the general public.

"And it is further ordered that, except as herein otherwise provided, the provisions of said order of June 14, 1920, as modified as aforesaid, shall continue in force until further order of the commission."

This order is effective May 20, 1924. It does not apply on grain; it does apply on all other commodities to and from Great Britain (England, Scotland, and Wales), Northern Ireland, Irish Free State, continental Europe north of and including Bordeaux, east coast of Asia, islands of the Pacific Ocean, Australia, East India islands, Central America, and South America.

It does not apply to and from Cuba, Jamaica, and other islands of the West Indies, Mexico, Africa, India, Spain, Portugal, Mediterranean ports, Black Sea ports, and islands of the Atlantic Ocean.

The Interstate Commerce Commission's foreign commerce order, No. 5, of August 7, 1922, in connection with section 441 of the transportation act of 1920 and section 25 of the interstate commerce act, provides for the enforcement on part of the commission of the requirement to specify the stations of railway carriers at which information relative to the handling of export shipments by common carriers by water in foreign commerce shall be maintained, and from which railway carriers shall issue through bills of lading to the point of foreign destination in connection with vessels documented under the laws of the United States.

The handling of export and import commodities in connection with foreign-flag vessels will not be disturbed by the commission's order of March 11, except to and from countries specified therein and restricted thereby to handling in vessels of American registry in order to get the benefit of special export and import rail rates where such rates are less than domestic rates.

Mr. OVERMAN. Has the committee made any report in reference to this matter?

Mr. FLETCHER. No. I understand a bill has been introduced in the House, and I believe reported favorably by the committee, postponing for a year the effective date of the order.

Mr. OVERMAN. That is my understanding. The bill has not yet come over to the Senate, has it?

Mr. FLETCHER. A bill has been introduced in the Senate and referred to the Committee on Commerce, but we have not yet had it up for discussion.

Mr. OVERMAN. I hope the Senator will take it up and consider it, because it is a very important matter.

Mr. FLETCHER. If there is a serious question about our having adequate amount of tonnage under our flag and of the type required, of course it would be advisable not to hurry the enforcement of the section.

As I have said all along, I have felt in favor of section 28. I do not know now whether the situation is entirely such that we ought to advocate any further delay. I have felt that the importers and exporters of the United States have reached the point where they must decide which is more valuable to our foreign commerce, an American merchant marine or the continued use of foreign flag vessels. Section 28 is the most substantial advantage to American shipping that has yet been afforded and does not cost the taxpayers a cent. That is according to the testimony of all the experts on the subject and those who have written and studied it for years and years.

Mr. OVERMAN. I agree with the position the Senator is taking now, but we must not do anything revolutionary to stop our freight and to stop our people from shipping their freight. If the Shipping Board can not do it, the Senator realizes the question ought to be investigated.

Mr. FLETCHER. It will be investigated, I think, and we will decide whether or not we will ask for a postponement of the effective date of the section.

Mr. McKELLAR. When in the opinion of the Senator will it be investigated?

Mr. FLETCHER. There is a bill in the House which has been favorably reported and, I think, is on the calendar. A similar bill has been referred to our Committee on Commerce, which will be considered in due course. I should favor an inquiry being made sufficient to ascertain what is the actual condition. It may be that the certificate of the Shipping Board is premature. I do not know as to that. If it is premature, then they ought either to withdraw it or to admit that it was premature, so that we can determine whether we ought to pass the bill carrying it over further or not.

Mr. McKELLAR. It seems to me the report from such an investigation ought to be had at a very early date so we can act upon it before Congress adjourns by all means.

Mr. FLETCHER. I think so.

Mr. McKELLAR. It is an important matter.

Mr. SHEPPARD. Will the Senator allow me to say that it is my understanding that the Senator from Washington [Mr. JONES] has called on the Shipping Board for a statement of the number of ships available?

Mr. FLETCHER. I have not talked with the chairman of the Committee on Commerce about the matter as yet. In fact, I was merely going to put into the RECORD a statement of the situation and leave it there for the present. I did not know we would get into this colloquy about it. The chairman of the Committee on Commerce is here, however, and can speak for himself.

Mr. SHEPPARD. Will the Senator from Florida permit me to ask the Senator from Washington if he has had an answer to his inquiry?

Mr. JONES of Washington. With reference to the matter submitted by the Senator from Texas?

Mr. SHEPPARD. And with reference to the number of ships in general under the American flag.

Mr. JONES of Washington. No; I have not asked the Shipping Board for a statement as to the ships they might have available generally. I know they have a great many ships, and that is a matter entirely for them to consider. The Shipping Board has entire authority with reference to the suspension of the effective date of section 28. I have urged the Shipping Board to canvass the situation very carefully so that no mistake will be made. If facts have been developed and conditions have arisen that show that they have not ample ships to take care of the service and have service that is to be rendered, I have urged that it would be better to postpone further the effective date of section 28 than to put it into effect under such conditions.

Mr. OVERMAN. Is it true that shippers can ship more cheaply on American ships and that the only reason why they ship in American bottoms is to get cheaper rates?

Mr. JONES of Washington. That is true. There is no provision against shipping in foreign ships. That will continue in effect the same, but they would not get the reduction and the preferential rates.

Mr. FLETCHER. That is the whole question.

Mr. McKELLAR. If that is the question, there is no reason why it should not be put into effect at once.

Mr. FLETCHER. Of course, that ought to be considered too. I have said that section 28, if not made effective shortly, may as well be considered a dead letter along with the remainder of the merchant marine act of 1920. Its enforcement six months hence will be no more practicable or possible than at present. The Shipping Board should withdraw its certificate which it has made to the Interstate Commerce Commission and admit that it was premature, or the section should be enforced within a reasonable time, one or the other. There is no need to dilly-dally about it. Six or eight months from now we will be in no better condition than we are now to have it go into effect.

The amendment that will make its enforcement discretionary with the Interstate Commerce Commission transfers in effect the responsibility of the Shipping Board to the Interstate Commerce Commission. There is a proposal of that sort, and of course I am utterly opposed to it. I want the Shipping Board to turn its attention seriously to sections 16, 17, 18, and 19 of the shipping act of 1916. The interests that should stand solidly behind the enforcement of section 28 should be the American shipowners, American shipbuilders, operators of Shipping Board vessels, ports having a majority of American flag service, and American marine insurance companies. The opposition of foreign flag lines and allied interests reflects the value to American vessels of the enforcement of section 28.

I wish to put in the RECORD now a statement appearing in the American Economist of April 4, 1924, at page 117, discussing the subject entitled "To discourage American shipping."

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article referred to is as follows:

TO DISCOURAGE AMERICAN SHIPPING

For many years it was the custom of our railroads to make lower freight rates on certain export and import products than were charged on domestic freight. Quite some years ago the late Senator Foraker, of Ohio, sought by law to limit such reduced rates only to such goods as were carried in American vessels. But this was before the war, when the number of American ships in foreign trade could be counted on the fingers of one's hand, so to speak, and Senator Foraker found it impracticable to carry out his desire to help American ships in foreign trade.

Senator W. L. JONES, chairman of the Senate Commerce Committee, however, when he framed his great merchant marine act of 1920 had clearly in mind the opportunity this practice of lower railroad rates on exports and imports still held out to give aid to American ships, and so he proposed and provided in section 28 of that famous maritime law that as soon as it was assured that enough American vessels were available lower import and export rail rates should be limited only to such goods as were carried in American vessels. Section 28 provides, therefore, that if the Shipping Board should advise the Interstate Commerce Commission of the inadequacy of American shipping in foreign trade to carry the imports and exports that such a discrimination might divert to American vessels the Interstate Commerce Commission should suspend the section's operation until advised by the Shipping Board of the adequacy of such American shipping. Recently the Shipping Board has certified to the Interstate Commerce Commission that American shipping in foreign trade is now adequate enough to permit of the enforcement of section 28, except as to grain exports, and so the Interstate Commerce Commission has removed the suspension of the section and ordered that it shall go into effect on May 20.

It should be clear that there was nothing that compelled the railroads to reduce their freight rates on imports and exports. Quite without regard to American shipping, these lower rates were made by the railroads, no doubt with the purpose in view of benefiting the railroads by stimulating foreign trade through reduced transportation charges. The limitation of such rates, therefore, only to such imports and exports as are carried in American vessels does not subject the railroads to any loss; rather the contrary, because on imports and exports in foreign vessels rail rates would be advanced to parity with domestic rates.

These actions by the Shipping Board and Interstate Commerce Commission removing the suspension that held in check the enforcement of section 28 is not received with favor in a number of directions. First, it is regarded as injurious to foreign shipping, and it is surprising the number of people in the United States who are deeply concerned in seeing to it that no discriminations whatever are made in favor of American or against foreign ships in our foreign trade. The roots of foreign steamship lines, it is found, are actually tap roots, so deeply do they pierce our soil and so strong and hardy are they.

And so it is that all sorts of objections are being raised to the enforcement of section 28 of the merchant marine act of 1920. It is even hinted that its enforcement is not popular with the members of the Interstate Commerce Commission, and now it has developed that it is decidedly unpopular with the railroads themselves, as is shown in a policy adopted by members of the eastern presidents' conference of railroad executives, held last week in New York, at which it was planned to oppose the enforcement of section 28, because it has been discovered that railroads that extend into Canada or from Canada into the United States may be able to evade the law or divert traffic to Canadian ports that might otherwise come to American.

It was feared that the railroads would resent this interference with their voluntary application of lower freight charges on imports and exports and that no consideration for the welfare of an American merchant marine would cause them to unite to make the law popular and effective. Now, this proves to be the case. If the enforcement of section 28 can be prevented, manifestly foreign ships will benefit, and it is equally manifest that American ships will not benefit.

Nor is it believed that the enforcement of section 28 of the merchant marine act of 1920 is altogether popular with the executive branch of the Government. If a way can be devised to circumvent the enforcement of section 28, unquestionably its enforcement will be circumvented. The executive branch of our Government, led by the State Department, is opposed to any discriminations whatever that would favor American ships and the goods they carry over foreign ships and their cargoes. While the enforcement of section 28 has not been regarded as in any way opposed to any treaty provision, it is now held by Japan that it infringes articles 1 and 6 of the treaty between the United States and Japan of 1911. This is a singular attitude for Japan to take if it be true, as we understand it is, that Japan practices the very same thing in respect to import and export goods carried on Japanese railroads that the Government of Japan now claims when adopted by us to be in violation of her treaty rights. It may work out that our Government will not object to Japan's violation of treaty provisions if they are violated, but it is quite likely that if it can be authoritatively found that a law of the United States would violate Japan's treaty rights, it would not be enforced.

Before the war Germany practiced this same thing. Goods were shipped from the interior of Germany to the interior of the United States, and vice versa, on single through bills of lading at rates lower by rail in both Germany and in the United States than applied to domestic goods in transit, but the Germans saw to it that the benefits of these reduced rates applied only to such imports and exports as were carried in German vessels. No objection was made by our Government to that German discrimination, least of all did our State Department seek to discover that the German policy was in violation of any American treaty rights.

It has recently been proposed to require that at least 50 per cent of our immigrants come to us in American vessels, but at once such a provision is discovered to be in violation of treaty provisions. But for a couple of years Italy has had in force a law that requires all emigrants leaving Italy to depart only in Italian ships. We have never heard that the State Department raised the question of violation of treaty provisions in respect to the Italian law, but it is keen to discover and to oppose any similar action by the United States until our treaties are modified, the State Department, however, being decidedly opposed to any modification of treaties, least of all in a manner to help American shipping.

And so it is that the forces at work, hitherto secretly to a large extent, to discourage American shipping development in foreign trade are being smoked out onto the open. So far so good. But it is sad to find arrayed with such forces any of the executive branches of the Government. It is time, evidently, for congressional action of a very definite and drastic character.

Mr. FLETCHER. I also wish to have inserted in the RECORD a copy of a communication sent to me by Mr. Frederick I. Thompson, chairman of the committee of the United States Shipping Board on Interstate Commerce Commission Conferences, being a letter which he addressed to Hon ELLISON D. SMITH, chairman of the Interstate Commerce Committee, in which he discussed the question. I called on him for his views about the matter, and he sent me a copy of that letter as giving his views.

The PRESIDENT pro tempore. Without objection, permission is granted.

The letter is as follows:

APRIL 1, 1924.

Hon. ELLISON D. SMITH,
Chairman Interstate Commerce Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR SMITH: Conforming with your request for certain facts and conclusions with respect to the application of section 28, merchant marine act, 1920, as a preliminary, first it should be defined that the enforcement of this preferential portion of our marine laws will not alter the present export rate structure nor disturb the flow of commerce moving under the export rate where there is sufficient service by vessels under the American flag to transport that portion of the export commerce now moving under the export rate in vessels of foreign registry. The application of section 28 merely permits the present export and import rates to apply when the commerce moves in American-flag ships, as contrary to the present policy of permitting these rates to apply upon the movement in either American-flag or foreign-flag ships.

In that connection it is deemed appropriate for clarification to draw your attention to that particular statement embodied in the letter addressed to you by Hon. Henry C. Hall, chairman of the Interstate Commerce Commission, in which opposition to the enforcement of this section of the merchant marine act is reflected. Referring to the inclusion of grain products and the exclusion of grain in the certification, Chairman Hall says:

> "There has always been a close relationship between the rates on grain and on its products. To except grain and not grain products means that while grain may still move to the ports on the export rates, flour and other products will take export rates lower than the domestic basis only when shipments are moved beyond the port in American bottoms. Presumably the effect of this will be to handicap American millers in competition with foreign millers buying American grain, as the latter will be able to take advantage of any low ocean rates to foreign markets

which may be offered by vessels under flags other than the American, while the former will not unless domestic grain rates to the ports be reduced to the export basis."

The adverse effect feared by Chairman Hall, it will be noted from his language, is based upon the presumption that there will be lacking sufficient American flag facilities to transport that portion of the export flour movement now being carried in foreign flag vessels. If sufficient American-flag ships are provided, of course, the present status with respect to the transport of this commodity in no manner will be altered.

That the chairman of the Interstate Commerce Commission should oppose the application of one of the preferential features designed to build an American merchant marine upon presumption that there is absence of *American-flag* ships particularly is not understandable, when it is noted that no request was made of the United States Shipping Board by Chairman Hall for specific information as to whether or not there is or will be in operation sufficient American-flag ships to provide for the commerce moving under export rates in foreign ships, and when officially before him was the certification of the Shipping Board that adequate American-flag facilities did exist.

Without emphasizing the point too strongly, it would appear as unusual for the chairman of the Interstate Commerce Commission not to have sought this specific information from that other agency of Government having direct jurisdiction over American-flag shipping before voicing opposition to a preferential feature of our marine law and voicing such opposition on what was stated by him as a presumption.

With respect to the question of flour movement, it may be enlightening to advise of facts developed at the hearing held at St. Louis, Mo. A protest on behalf of the Southwestern Millers' League was filed with the committee. The stenographic record evidences that the protestant admitted that the export agent of the Southwestern Millers' League was the export agent of foreign steamship lines, prompting me, as chairman of the committee, to say that the committee, in ascertaining that fact, desired to determine—

> "whether or not those who may protest against the application of a preferential feature of our marine laws speak free from selfish or direct financial interest, and that if the protestant, the Southwestern Millers' League, maintains as its agent a man who is the representative of foreign shipping lines and financially concerned in the continuance of such relation, the committee could not construe a protest from them as reflecting an unselfish interest."

For your information it may be well to emphasize that section 28 is interpreted by the United States Shipping Board as a mandatory section of the statute, the only discretionary power lodged in the Shipping Board being that of determination of shipping facilities under the American flag. The Shipping Board held hearings upon this question at Boston and New York on the Atlantic; at New Orleans on the Gulf; at Portland, San Francisco, and Los Angeles on the Pacific; and at Chicago and St. Louis on the Great Lakes and the interior. Keeping particularly in view the fact that in addition to the established services at present in active operation, there were in reserve ample ships to meet any required addition to existing services, the Shipping Board, in possession of opinion that American-flag facilities existed, in propriety, could not nullify a law of the Congress, when upon the commissioners of the Shipping Board was imposed the duty to enforce the law. Clearly, enforcement of the law is not a matter of discretion with those upon whom the duty of enforcement rests.

At the hearings so held opposition to the application of section 28 developed from:

> "Railroads having preferential interchange of freight agreements or understanding;
>
> "Ship operators and certain organizations closely identified with the operation of vessels under foreign registry;
>
> "Exporters whose buyers in foreign countries sought to designate the transport of the commodities purchased by them in the ships of their own nation."

The United States Shipping Board also held hearings on agreements between American railroads and foreign shipping companies. With your permission, for specific illustration, I will refer particularly to the agreements between the Chicago, Milwaukee & St. Paul Railroad and the Japanese shipping line, Osaki Shosen Kaisha, and the Great Northern Railroad and the Nippon Yusen Kaisha, another Japanese shipping line. It was developed clearly that these American railroads, through preferential working agreements with these Japanese shipping lines for interchange of freight, became in effect the soliciting agents of the Japanese shipping lines operating in competition with vessels operated by the United States. The terminus of the Chicago, Milwaukee & St. Paul and the Great Northern Railroads is in the Puget Sound area, from which terminus, acting under the mandate of the merchant marine act requiring to be established strategic trade routes, the United States Shipping Board established a service to the Orient, placing in such service five of the *President* type of combined passenger and cargo ships. Quoting from the stenographic record, in reply to a question addressed to Mr. Kenney, vice president in charge of traffic of the Great Northern Railroad, he stated that he did not think "there is anything superior to it"; that the service given by the Government was "comparable to anything on the Pacific." When further asked if the preferential contract with the Japanese shipping line were prompted by a desire to procure a superior steamship connection, Mr. Kenney replied, "No, sir."

With this fact clearly established as to the adequacy of facilities under the American flag, that of 75,188 tons of export commerce originating on the lines of these two railroads, only 4,954 tons were delivered for transport to American-flag ships; yet these two railroads refused to abrogate the agreements with the foreign shipping lines for interchange of freight. The continued existence of these preferential contracts, resulting in diversion of commerce from American-flag ships, has occasioned unnecessary losses to the taxpayers in the operation of American-flag ships from the Puget Sound area, a service established for the economic protection of American consumers and producers as insuring that excessive ocean transportation charges could not be levied on American commerce. The enforcement of section 28 will correct this harmful condition.

Although desiring to avoid expression of individual opinion in this communication to you, I am prompted to refer to the adverse effect the principle of preferential contracts between American railroads and foreign shipping interests would have if accepted as a national policy. The ultimate end would be the control of ocean transportation by the rail carriers in conjunction with ships either of domestic or foreign registry; it would operate against free competition on the ocean; and would be unjust to those ports not located at the ocean terminus of the rail carriers, occasioning congested movement through certain base ports, which the merchant marine act of 1920 clearly seeks to avoid as a matter of national policy.

Except through the actual operation of ships at sea there can be no control of ocean transportation rates. Regulation of rail charges is clearly domestic, and the Interstate Commerce Commission enforces the policies established by the Congress. No such control is possible on the ocean, the only regulatory influence being the operation, under the national flag, of those nations desiring to participate in the regulation of freight charges for the protection of their nationals.

It is believed that the application of section 28 as one of the preferential features of the merchant marine act will augment greatly the tonnage moving in American flag ships; will lessen the losses now entailed in American flag operation by the Government; will tend to stabilize financially the operation of strategic trade routes and be helpful toward the ultimate acquisition by private operators of the ships at present engaged in the overseas trade. At present, exclusive of the Caribbean and West Indies services, there are approximately 20 ships engaged in overseas commerce under private ownership, and in operation in overseas trade by the United States Shipping Board 375 vessels of approximately 2,216,742 gross tons and 3,325,113 deadweight tons. If the operation by the Government under that provision of the merchant marine act requiring the establishment and maintenance of essential trade routes not covered by private American flag operation should be withdrawn it would permit the export and import movement of the United States to be controlled by foreign shipping interests whose nationals, in conjunction with their Government, could name, without interference, the ocean freight charges to be imposed upon both the export and import commerce of the United States.

Aside altogether from the economic protection referred to, the necessity for a merchant marine fleet in active operating condition for the national protection in emergency is the highest essential, and on that point the testimony of naval officers is impellingly enlightening. The operation by the Government of the ships in its possession is but a peace-time utilization of a unit of national defense, carrying with such utilization, however, a very primary purpose of economic protection and benefit to American commerce.

For these reasons the United States Shipping Board could not take cognizance of the recommendations of the American Steamship Owners' Association and the resolutions adopted by the Merchant Marine Congress, which were that the Shipping Board and Emergency Fleet Corporation should retire from the business of operating ships; should scrap immediately vessels inferior in design, equipment, or condition; should offer its remaining vessels for sale to American citizens without any restrictions; and then after the lapse of a reasonable time all vessels, even of proper design, equipment, and condition, which were not sold and were without immediate prospective sale value, should be scrapped also. To have followed the first suggestion would have been an abandonment of the mandate of Congress. To have followed the

second and fourth—to scrap all vessels except those sold and to sell the few it could without any restrictions—would have resulted in unthinkable abandonment of American flag operation on the seas and a return to the postwar condition of leaving the American manufacturer, the American farmer, and the American consumer without voice in the regulation or control of the ocean charges to be levied upon the products exported or consumed by citizens of the United States.

Attached hereto is an exhibit showing the routes at present being maintained by the United States Shipping Board through the agency of the Fleet Corporation to various world markets and base ports. It is believed that these services with the "spot" ships immediately available for entry into service meet the intent of the Congress as to the adequacy of facilities referred to in section 28; and it is to be hoped that the United States Shipping Board, having established these strategic and essential trade routes in order that both the letter and the spirit of the law may be met, will be given opportunity to test the beneficial aspects of a section of the merchant marine act unquestionably designed by the Congress to bring into being a merchant marine representative of the position occupied by the United States among the nations of the world.

Very sincerely yours,

FREDERICK I. THOMPSON,
Chairman Committee of the United States Shipping Board on Interstate Commerce Commission Conferences.

Mr. FLETCHER. I also wish to have printed in the RECORD a clipping giving the views of Mr. Winthrop L. Marvin, who is vice president and general manager of the American Ship Owners' Association. Mr. Marvin is a great student of the subject. He has written a great deal on it and lectured on it and written a book on the subject. He is fairly well posted on the whole history of the struggle to establish an American merchant marine. I discussed the matter with him. I ask to have that inserted in the RECORD, together with a clipping from the Star of April 4, 1924, showing the attitude taken by the Association of Railway Executives, which may have a bearing on it, although it is not very important. I also desire to have inserted in the RECORD an editorial from the Export Trade and Finance of April 12, 1924, page 18, entitled "What is the alternative?" It is not a very long editorial, but it is a very forceful presentation of the matter.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

UNITED STATES VESSELS BOYCOTTED BY FORWARDERS ABROAD, SAYS SHIP ASSOCIATION CHIEF—WINTHROP L. MARVIN CITES INSTANCES OF DISCRIMINATION IN REPLY TO CRITICISM OF APPLICATION OF SECTION 28—ASSOCIATION TO DEFINE POSITION ON ORDER TO-DAY

The executive committee of the American Steamship Owners' Association will consider to-morrow the subject of section 28 of the merchant marine act, 1920, reserving to American ships the carrying of export or import merchandise that receives the benefit of low preferential rates on American railroads.

"The association," says Winthrop L. Marvin, vice president and general manager, "has taken no recent action on section 28, and is open-minded on the subject. When a study is made of this section, granting a certain preference to American ships, it is necessary to consider at the same time the well-established fact that many foreign shippers in our export and import trade have long had exclusive arrangements with foreign shipping companies by which a virtual boycott has been imposed against American vessels. These discriminations have been enforced against the American merchant flag whether borne by privately owned or Government-owned steamers, and they date back to the signing of the armistice in 1918, long prior to the framing and passage of the merchant marine act, 1920.

CITES EGYPTIAN COTTON INCIDENT

"For example, the experience of American ships of the Harriman Line in endeavoring to obtain part cargoes of Egyptian cotton at Alexandria for Boston is readily recalled. Through the then dominant influence of the Liverpool liners' conference in the port of Alexandria not a pound of cotton destined for the mills of New England could be obtained for American ships in spite of persistent efforts until it was signified to this British liners' combination, of which the Cunard and Prince companies were the chief factors, that there might be reprisals on the part of the Government of the United States. Then 50 per cent of our Egyptian cotton imports were grudgingly conceded to the American flag, which was actually entitled to the whole trade as Egypt, now independent, has little or no ocean tonnage of her own.

"In September, 1922, it was reported to the office of the American Shipowners' Association that British consignees of a quantity of copper shipped from Baltimore demanded that this be sent in British ships, 'though the freight rate of American steamers was the same and abundant tonnage was available.' At the same time, a shipper of lumber through Hampton Roads to the United Kingdom declared that he was 'compelled by external interests to favor the British lines.' Chicago shippers of American flour reported 'a boycott of American steamers by orders from the other side'—rates and facilities being the same by American or foreign vessels.

FAVORED BRITISH LINES

"Manufacturers of steel nuts and bolts through Philadelphia to the United Kingdom reported that 'foreign houses insisted on controlling the routing of their shipments through a Liverpool representative who favored British lines.' A simultaneous report stated that 'Michigan lumber manufacturers declared that the same discriminatory methods were being applied to their exports of maple flooring.' Importers of grain to ports of the United Kingdom instructed their buyers in the United States 'to accept no other boat than a British steamer. There have been cases where the American boat has quoted a lower rate than the British, but the grain must go by British bottoms.' American exporters who furnished this information declared that 'there seems to be a high-handed foreign propaganda to drive American shipping out of foreign trade.'

"These foreign discriminations against American ships are still continuing. Secretary Hoover, in 'Commerce Reports' of October 22, 1923, quoted this significant instance: 'A British firm placing an order with an American company says: "We shall be glad if you will make a special note always to forward our goods in the future by the Cunard or other British lines sailing between New York and England."'

14 FIRMS BARRED UNITED STATES SHIPS

"A subsequent canvass of the manufacturers and exporters of one of the chief British commercial districts brought out a statement from 14 of 16 firms that they would not ship to the United States in American vessels under any circumstances—some of them proclaimed that they would hold their goods a month for a British ship, if necessary.

"In large part as a result of this organized and determined boycott of the American merchant flag, our American ship proportion, in value, of the carriage of American imports has shrunk from 40.59 per cent in April, 1920, to 31.72 per cent in January, 1924, and our American ship proportion, in value, of exports has fallen from 47.70 per cent in April, 1920, to 38.55 per cent in January, 1924.

"Nor is the United Kingdom the only country which enforces against us the equivalent and more than the equivalent of section 28—for that section applies to only a special list of commodities. In June, 1922, American exporters of grain complained to the United States Shipping Board of 'the discrimination shown by the Scandinavian and especially the Swedish grain trade against American vessels'—Swedish houses insisting on the use of Swedish flag ships, 'even at a higher cost of freight.' The same discriminations were enforced by Swedish merchants in the matter of our exports of flour. In July, 1922, an American firm at Baltimore offered 600 tons of heavy grain to Norwegian buyers at a freight rate of 17 cents per 100 pounds. The cable reply insisted that the grain be carried by Norwegian steamers, although the Norwegian freight rate was 20 cents a hundred pounds. Subsequently this same American house offered other grain cargoes to Norwegian houses, 'and in each instance except one the replies received stated plainly "American steamers excluded."'

"An American steamship company, with privately owned tonnage, offered space for malt to Rotterdam and Amsterdam at 25 cents per 100 pounds. Holland merchants cabled a reply that the malt must be sent by Holland ships at a rate of 30 cents per 100 pounds, 'no matter what the rate by the American lines.'

"This reply, like the others in each case, is in the hands of American merchants. It is announced in the press that the Government of Holland has sent a protest to our Government against section 28. That is to say, the Dutch, while insisting in cases like the above that American goods must be exported only in Dutch ships, are fighting against any policy by our own Government that might countervail their own exclusive discriminatory practices.

"Let it be borne in mind that every one of our trans-Atlantic American cargo steamship services above referred to is being operated by experienced and capable men, and that in general even the London insurance companies offer as favorable rates to American ships and their cargoes as to foreign ships and their cargoes.

It will be borne in mind also that these foreign discriminations above described apply to the American flag, whether borne by steamers of the Shipping Board or of the old established American private companies. The fight is against the Stars and Stripes on the ocean."

[From the Washington Star, April 4, 1924]

Section 28 of the merchant marine act, providing for through export and import rates to shippers patronizing American-flag vessels, in reality "does not effect any reduction in any rate," the Association of Railway Executives declared in a statement late yesterday. It merely imposes upon the railroad companies, the statement said, the obligation to apply the domestic rates on export and import traffic unless shipped in vessels of American registry.

The association declared traffic executives of lines serving eastern territory had carefully considered the application of the section and that in substance it requires that domestic rates and regulations affecting them shall be "applied on all export and import traffic excepting grain, unless it is exported or imported in ships of American registry."

PORTS TO WHICH RATES APPLY

The ports to which the rates will apply were said to embrace substantially all except African, Mediterranean, Spanish, Portuguese, southern Asian, and West Indian. The section does not apply, under the interpretation, to traffic originating in the United States for export to Canada or through a Canadian port, nor domestic traffic moving through Canada for exportation through an American port.

"Vice versa," the statement continued, "section 28 does not apply to traffic from the foreign ports covered by the order moving through Canadian ports to points in the United States, nor to traffic moving through an American port to a point in Canada or passing through Canada to a point of destination in the United States, nor to traffic originating in Canada and moving to a point of destination in the United States.

TRANSSHIPMENT PROVISION

"Certain transshipment rates on coal, coke, etc., which are lower than track-delivery rates on the same commodities to the port of transshipment are not included within the operation of section 28, because such rates are not based upon contemplated exportation, but, on the contrary, are based primarily on the incident of coastwise transportation to other points in the United States.

"It will of course be necessary for the carriers to police the application of export and import rates so that they may be applied only in connection with ships of American registry. Where the shipper gives reasonable assurance that the property will be exported in a vessel of American registry the export rate will in the first instance be applied. If the shipper changes the through route to provide for forwarding in a vessel of foreign registry, correction will be made to the basis of the domestic rate and the additional charges will be collected."

[From Export Trade and Finance, April 12, 1924]

WHAT'S THE ALTERNATIVE

As was to be expected, the contemplated enforcement of section 28 of the merchant marine act by the Shipping Board has raised a storm of protest among shippers throughout the country.

On all sides we hear the complaint that after May 20, when the preferential rail rates go into effect, there will not be adequate American flag services to care for all the tonnage offered, and that, as a result, operation of the law will work a direct hardship on American exporters.

That there will not be as great a frequency of choice of sailings for inland shippers to take advantage of is an obvious and undoubted truth. But in voicing their complaints it seems that many of the shippers and commercial organizations are confusing two issues. The first, and perhaps most important, is: Do we want an American merchant marine? It would seem from many of the letters, resolutions, and editorials we have read that the answer to this question is not unanimously in the affirmative. "Why should not the Shipping Board make money * * * or, lacking such success, go entirely out of business?" asked one prominent New York daily recently. Of course, for those who take the position that an American merchant marine is an uneconomic encumbrance it naturally follows that the enforcement of section 28 is an unjustifiable hardship.

But what would be the result if the merchant marine act were repealed and the American flag disappeared from the sea? Out of the pockets of the American citizen, both producer and consumer, would begin a steady drain. Rate increases on the part of the remaining foreign lines would inevitably go into effect. This is only one aspect. The need of a merchant marine as a means of defense is another. The desirability of conducting our foreign trade through channels of our own nationality is still a third. Shippers should appreciate the fact that the United States now has a merchant marine and realize that we plan to keep it in operation.

Realizing that fact, why not accept the inevitable and cooperate with the Shipping Board in making the operation of these ships profitable so that they can eventually be turned over to private ownership? Certainly some sort of direct or indirect aid is necessary. Possibly the enforcement of section 28 is not an altogether satisfactory solution of our shipping problems. Undoubtedly there will be difficulties to be overcome and necessary exceptions to be made which can only come to light after the section is put in operation.

But, as exporters and shippers, let us realize that the purpose of section 28 is to strengthen the merchant marine, and if we believe in the ultimate necessity of the American flag flying on privately owned American ships, let us at least give the Shipping Board a fair trial.

If we do not believe in the need of an American merchant marine, let us frankly say so. But the critic who with one hand waves the flag in his enthusiasm for American ocean-borne commerce and with the other pens his rabid objection to the most logical present means by which American shipping can be supported holds an untenable position.

Congress has very definitely refused a direct subsidy. Some support is necessary. Section 28 is on the statute books, a law of the country. Suppose the Shipping Board continued to refrain from enforcing its provisions, what is the alternative? Continued Government operation at an annual loss to the taxpayers of from thirty to fifty million dollars and, lacking congressional appropriations for new construction, the ultimate disappearance of the American flag from the ports of the world.

SHIPMENT OF PRODUCTS FROM FLORIDA

Mr. FLETCHER. Mr. President, a short time ago I received a letter from R. A. Brand, vice president of the Atlantic Coast Line Railroad Co., referring especially to the situation regarding the shipment and marketing of Florida cabbage, and the results. It is quite a cry from a discussion of the revenue bill and millionaires to a more homely subject like cabbage, but it is really a very important industry in Florida.

We shall produce this year some 37,000,000 tons of cabbage. Florida has become the vegetable garden of the Nation, especially for winter vegetables, and produces largely celery, lettuce, beans, strawberries, cabbage, potatoes, and other vegetables, and gets them to market before they can be had from any other portion of the country. There is some competition from a few countries of similar soil and climate in respect to cabbage, and considerable competition has developed from Holland. The statement says that:

Cabbages are not doing well the past two weeks—

This was written April 4—

On account of a lot of imported cabbage reaching the eastern cities prices have dropped from $2 per hamper to $1.25. We farmers should make an effort to keep these foreign cabbages from reaching the United States.

That is a quotation from a letter written to Mr. Brand by a grower. I have had some letters from growers and producers in various parts of the State. So the question seems to be whether or not the Holland cabbage shall be allowed to take the market away from the producers in the United States. Texas also is largely interested in this matter. Texas produces more cabbage than Florida, but Florida is next in the production of cabbage.

I took the matter up with the Tariff Commission. Of course I looked up the tariff law and ascertained what the duty was on cabbage. Under the last act the duty is 25 per cent ad valorem. I asked them to make rather a full investigation as to the causes of cabbage grown in the United States being practically unsalable and without demand in the chief markets of our own country. I have here a communication from the Tariff Commission, which is dated May 2, accompanied by a memorandum and a table giving the situation and showing that there is some misapprehension about the extent and the significance of the foreign competition. I ask to have inserted in the RECORD the communication and memorandum, with all of the accompanying figures, because they go into the whole subject and will be of very great interest to the producers of cabbage throughout the country.

The PRESIDENT pro tempore. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

UNITED STATES TARIFF COMMISSION,
Washington, May 2, 1924.

Hon. D. U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR FLETCHER: In accordance with your recent telephone request, I take pleasure in submitting herewith a memorandum on the effect of imports of cabbage from Holland on the price of Florida cabbage in the New York market.

The memorandum gives statistics of imports and of domestic production and also a comparison of prices of Holland and of Florida cabbage.

On page 8 of the memorandum will be found a comparison of Holland and Florida cabbage in respect to quality. I presume that Florida has an agricultural experiment station, and would suggest that it might lead to good results for the Florida cabbage growers if the State agricultural bureau would undertake experiments looking toward an improvement in the quality of the Florida cabbage, particularly in relation to its keeping qualities.

May I suggest also that the process of marketing might be studied to see if a glutting of the New York market can be prevented, and shipments made in quantities that would more nearly correspond to the daily or weekly demand, thus resulting in better and more stable prices.

Sincerely yours,

THOMAS O. MARVIN.

[Memorandum from the United States Tariff Commission]

CABBAGE APRIL 23, 1924.

RATES OF DUTY

Act of 1909: 2 cents each, or an equivalent average ad valorem for the period, 1910 to 1913, inclusive, of 38.8 per cent.

Act of 1913: 15 per cent ad valorem.

Act of 1922: 25 per cent—under the basket provision for all other vegetables in their natural state, not especially provided for.

THE EFFECT OF IMPORTS OF CABBAGE ON THE MARKETING OF EARLY CABBAGE

PRODUCTION

Two main types of cabbage are grown in the United States—

1. Cabbage for kraut manufacture.
2. Cabbage for table use.

It is only in cabbage for table use that there is any foreign competition. Therefore, it is to this branch of the industry that the following discussion is confined.

In the United States the production of cabbage for table use is classified as follows:

1. Early cabbage.
2. Intermediate cabbage.
3. Late cabbage.

Florida and Texas produce the bulk of our early cabbage. As the growing season progresses the intermediate cabbage comes on the market from Virginia, Maryland, Delaware, and New Jersey. For late, or fall cabbage, New York and Wisconsin are the most important States. The following table gives the production, yield, and farm value of cabbage in the United States for a series of years:

Commercial acreage, yield per acre, production, price, and farm value, of cabbage, 1920-1923

State	Acreage				Yield per acre (tons)				Production (tons)				Prices (per ton)				Farm value (000 omitted)			
	1920	1921	1922	1923	1920	1921	1922	1923	1920	1921	1922	1923	1920	1921	1922	1923	1920	1921	1922	1923
Alabama	1,080	1,600	2,200	2,200	7.8	8.0	8.5	7.5	8,400	12,800	18,700	16,500	$39.00	$27.76	$22.20	$49.76	$328	$355	$415	$821
California	7,860	7,320	7,320	5,300	7.1	7.0	6.0	7.0	55,800	51,200	43,900	37,100	18.47	13.84	26.33	42.62	1,031	709	1,156	1,581
Colorado	4,390	4,000	5,240	5,270	15.1	11.7	12.0	11.0	66,300	46,800	62,900	58,000	9.04	24.55	4.27	7.40	599	1,149	269	429
Florida	9,280	5,370	11,280	2,070	6.8	6.0	7.0	8.0	63,100	32,200	79,000	16,600	42.40	25.60	21.96	46.57	2,675	824	1,735	773
Georgia	120	250	520	220	7.8	7.0	5.0	5.5	900	1,800	2,600	1,200	37.33	35.50	25.23	35.87	34	64	66	43
Illinois	2,080	1,620	1,880	1,400	8.1	5.0	8.0	5.0	16,800	8,100	15,000	7,000	18.15	26.64	6.39	16.92	305	216	96	118
Indiana	1,300	1,090	1,660	1,300	9.8	6.0	7.0	10.0	12,700	6,500	11,600	13,000	25.75	32.89	10.21	13.61	327	214	118	177
Iowa	1,080	600	1,840	1,200	8.0	5.0	8.0	5.5	8,600	3,000	14,700	6,600	34.00	37.19	9.36	16.69	292	112	138	110
Kentucky	350	350	300	300	6.6	6.0	6.0	5.0	2,300	2,100	1,800	1,500	25.00	21.99	21.00	60.00	58	46	38	90
Louisiana	1,600	1,580	1,670	1,640	8.2	6.4	6.0	4.5	13,100	10,100	10,000	7,400	40.20	13.42	20.00	55.90	527	136	200	414
Maryland	2,180	2,060	2,750	2,000	5.8	4.8	5.0	6.0	12,600	9,900	13,800	12,000	18.00	24.70	14.67	32.71	227	245	202	393
Michigan	2,870	1,990	3,570	3,290	10.7	6.5	11.0	9.8	30,700	12,900	39,300	32,200	14.78	22.73	5.65	9.33	454	293	222	300
Minnesota	3,200	2,740	3,840	3,260	8.9	5.0	9.0	7.5	28,500	13,700	34,600	24,400	21.19	22.50	5.75	12.12	604	308	199	296
Mississippi	1,850	1,420	4,640	4,240	8.4	6.0	5.0	3.5	15,500	8,500	23,200	14,800	34.20	39.47	20.00	48.60	530	335	464	719
Missouri	720	700	700	800	8.0	8.1	7.0	6.0	5,800	5,700	4,900	4,800	43.57	44.79	30.00	28.12	253	255	147	135
New Jersey	4,520	4,220	4,500	4,100	8.1	6.5	8.0	5.5	36,600	27,400	36,000	22,600	21.27	18.65	21.80	39.75	778	511	785	898
New Mexico	200	130	400	300	6.0	8.0	9.0	7.0	1,200	1,000	3,600	2,100	26.00	28.00	22.57	50.22	31	28	81	105
New York	26,600	22,900	24,900	22,680	11.6	6.5	9.0	7.5	308,600	148,800	224,100	170,100	8.49	25.24	6.44	16.53	2,620	3,756	1,443	2,812
North Carolina	310	450	350	440	7.5	6.5	6.0	7.5	2,300	2,900	2,100	3,300	60.00	30.00	34.40	30.00	138	87	72	99
Ohio	3,190	2,360	2,870	3,220	9.1	5.7	8.2	8.5	29,000	13,500	23,500	27,400	17.76	25.64	15.14	15.22	515	346	356	417
Oregon	820	780	900	900	7.7	9.5	7.0	5.0	6,300	7,400	6,300	4,500	20.00	30.00	25.00	35.18	126	222	158	158
Pennsylvania	2,900	2,720	2,800	2,750	10.3	6.0	7.0	5.0	29,900	16,300	19,600	13,800	12.00	31.55	15.22	23.84	359	514	298	329
South Carolina	1,990	3,970	4,100	3,450	7.4	9.7	7.5	11.5	14,700	38,500	30,800	39,700	53.52	24.00	23.47	57.93	787	924	723	2,300
Tennessee	720	720	1,500	1,200	4.0	6.1	7.0	7.0	2,900	4,400	10,500	8,400	37.40	32.00	19.60	25.97	108	141	206	218
Texas	16,250	11,210	14,880	4,070	4.8	4.0	5.0	5.0	78,000	44,800	74,400	20,400	29.70	7.21	9.72	31.99	2,317	323	723	653
Virginia	5,420	6,700	7,660	6,370	8.9	7.8	8.5	6.4	48,200	52,300	65,100	40,800	44.37	38.66	17.59	27.66	2,139	2,022	1,145	1,129
Washington	1,030	920	950	890	10.2	8.0	9.0	8.0	10,500	7,400	8,600	7,100	22.40	44.27	24.07	58.27	235	328	207	414
Wisconsin	15,300	10,660	16,560	13,340	10.0	6.0	11.0	9.5	153,000	64,000	182,200	126,700	8.51	23.61	4.97	9.88	1,302	1,511	906	1,252
Total	119,210	100,430	131,780	96,200	8.9	6.5	8.1	7.5	1,062,300	654,000	1,062,800	740,000	18.54	24.43	11.83	23.22	19,699	15,974	12,568	17,183

Florida early cabbage is marketed between December 15 and March 31, and Texas cabbage from December 1 to June 15. Estimated production of early cabbage for the season of 1923-24, is 85,800 tons, compared with only 38,800 tons in the preceding season, or an increase of over 200 per cent. Southern growers vary the acreage from year to year according to the price return of the previous season.

TABLE 2.—*Early cabbage production*

State	Acreage			Yield per acre			Production		
	1922	1923	1924	1922	1923	Indicated, 1924	1922	1923	Forecast, 1924
	Acres	*Acres*	*Acres*	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*
Florida	11,280	2,070	4,780	7.0	8.0	7.6	79,000	16,600	36,300
Texas	14,880	4,440	9,700	5.0	5.0	5.1	74,400	22,200	49,500
Total	26,180	6,510	14,480	5.9	6.0	5.9	153,400	38,800	85,800

IMPORTS

Imports have been relatively unimportant. Most of the imports come from Holland. Small quantities are also received from Canada and other countries. Holland shipped 3,328 tons from November, 1922, to May, 1923, inclusive. From October, 1923, to February, 1924, inclusive, imports from Holland were 770 tons, compared with a domestic production of early cabbage of 85,800 tons. So small an import trade can scarcely exert a material influence upon prices.

In fact, there is a somewhat distinct demand for Dutch and Florida cabbage, and the record of prices indicates that the market for each of these two products is, in some degree at least, independent of the other.

TABLE 3.—*Imports for consumption of cabbage*

	Rates of duty	Quantities	Values	Duties collected	Value per unit of quantity	Actual and computed ad valorem rate
		Number	*Dollars*	*Dollars*		
Fiscal year:						
1910	3 cents each, 2 cents each	235,259	9,201	4,718		
1911	do	11,166	533	233	0.048	41.90
1912	do	7,400	562	148	.076	26.33
1913	do	4,250	238	85	.056	35.64
1914	do, 15 per cent		22,861	3,430		
1915	do		1,476	221		15.00
1916	do		68	10		15.00
1917	do		61,256	9,188		15.00
1918	do		9,643	1,446		15.00
Calendar year:						
1918	do		4,483	672		15.00
1919	do		12,831	1,925		15.00
1920	do		99,808	14,971		15.00
1921	do		30,152	4,522		15.00
1922	do, 25 per cent		10,902	1,737		
1923	do		84,850	21,212		25.00

TABLE 4.—*Imports for consumption of cabbage, October, 1922, to February, 1924*

	From Holland[1]		Total imports	
	Quantity	Value	Quantity	Value
1922	*Tons*	*Dollars*	*Tons*	*Dollars*
October			56.2	604
November	0.8	14	1.2	22
December			4.8	398
1923				
January	318.0	5,425	357.0	7,200
February	334.5	6,813	421.9	7,836
March	1,885.3	35,611	2,377.8	46,011
April	692.8	17,517	736.1	18,087
May	97.0	2,888	97.1	2,916
June			1.3	143
August			0.1	6
September			13.3	143
October	43.4	1,052	43.5	1,056
November	65.8	1,425	66.0	1,444
December			0.2	8
1924				
January	285.2	5,968	286.4	6,177
February	375.7	11,533	378.6	11,631
Grand total	4,098.5	88,246	4,841.5	103,677
Total, October, 1922, to May, 1923	3,328.4	68,268		
Total, October, 1923, to February, 1924	770.1	19,978		

[1] Imports from Holland consist largely of red cabbage.

MARKET RECEIPTS AND PRICES

The increase in shipments of early cabbage for the present season is plainly shown in the following table.

TABLE 5—*Weekly summary of car-lot shipments of cabbage (new crop)*

[Source: Crops and Markets, United States Department of Agriculture]

Period	Florida cars	Texas cars	Total this season to date	Total last season for a comparable period
Dec. 23-29, 1923	27	24	112	67
Dec. 30, 1923-Jan. 5, 1924	74	52	238	129
Jan. 6-12, 1924	80	58	376	200
Jan. 13-19, 1924	182	64	622	295
Jan. 20-26, 1924	238	48	898	380
Jan. 27-Feb. 2, 1924	261	68	1,227	495
Feb. 3-9, 1924	238	192	1,657	649
Feb. 10-16, 1924	202	177	2,036	792
Feb. 17-23, 1924	245	232	2,513	904
Feb. 24-Mar. 1, 1924	226	390	3,123	1,184
Mar. 2-8, 1924	336	481	3,948	1,456
Mar. 9-15, 1924	254	442	4,644	1,645
Mar. 16-22, 1924	225	467	5,336	1,834

The total arrivals in New York City of all types of cabbage from January 1 to March 31, 1924, was 1,365 cars. For the same period in 1923 the arrivals were only 1,038 cars. On March 31, 1924, the jobbing price range for Florida cabbage in 1½-bushel hampers (which hold approximately 50 pounds) was $1.50 to $2. The corresponding price in 1923 was about the same—$1.75 to $2.

TABLE 6.—*Comparable prices of early Florida and Holland cabbage in New York City*[1]

Date	Florida cabbage				Holland cabbage[2]			
	Per 50-pound basket		Per ton		Per 100-pound hamper		Per ton	
	High	Low	High	Low	High	Low	High	Low
Dec. 10, 1923	$2.00	$1.75	$80.00	$70.00	$2.00	$1.75	$40.00	$35.00
Dec. 17, 1923	1.75	1.00	70.00	40.00	2.00	1.50	40.00	30.00
Dec. 24, 1923	1.25	1.00	50.00	40.00	2.00	1.25	40.00	25.00
Dec. 31, 1923	1.50	1.25	60.00	50.00	3.00	2.50	60.00	50.00
Jan. 7, 1924	1.75	1.00	70.00	40.00	3.00	2.50	60.00	50.00
Jan. 14, 1924	1.75	1.25	70.00	50.00	2.50	2.25	50.00	45.00
Jan. 21, 1924	2.00	1.50	80.00	60.00				
Jan. 28, 1924	1.75	1.25	70.00	50.00				
Feb. 4, 1924	2.25	2.00	90.00	80.00	4.50	4.00	90.00	80.00
Feb. 11, 1924	2.00	1.50	80.00	60.00	4.50	4.00	90.00	80.00
Feb. 18, 1924	2.00	1.75	80.00	70.00	4.50	4.00	90.00	80.00
Feb. 25, 1924	2.25	2.00	90.00	80.00	5.00	4.50	100.00	90.00
Mar. 3, 1924	3.00	2.62	120.00	105.00	4.50	4.00	90.00	80.00
Mar. 10, 1924	2.50	2.25	100.00	90.00	4.50	4.00	90.00	80.00
Mar. 17, 1924	2.00	1.75	80.00	70.00	4.00	3.75	80.00	75.00
Mar. 24, 1924	2.50	1.75	100.00	70.00	4.00	3.75	80.00	75.00
Mar. 31, 1924	2.00	1.75	80.00	70.00	5.00	4.50	100.00	90.00
Apr. 7, 1924	2.50	2.25	100.00	90.00	5.00	4.50	100.00	90.00

[1] Prices from producers Daily Price Current.
[2] Prices are for red Holland cabbage.

Florida's first shipment to the New York market for the season 1923–24 was on December 10, 1923, when the price range was from $1.75 to $2. From December 10, 1923, to April 9, 1924, the top daily price of the domestic cabbage per basket of approximately 50 pounds fluctuated from $1.50 to $3.25. The average was approximately $2. The daily low price varied from $0.75 to $2.87, with an average low price between $1.50 to $1.75. During this period of wide price fluctuations for Florida cabbage the imported Holland cabbage sold at a relatively stable price. In December, 1923, the top price for a basket (100 pounds) of imported cabbage was $2. In January, 1924, the price rose to $3. During the latter part of January, 1924, there were no importations and no competition between the Florida and Dutch early cabbage. Nevertheless, the price of the Florida cabbage for the best grades was $2, shading off at the end of the month to $1.75 per basket of 50 pounds. With the beginning of February fresh arrivals of Holland cabbage sold at a top price of $4.50 per hundred pounds. Toward the end of the month the price of Dutch cabbage moved to $5 and in March receded to $4.50, but was followed by another rise in April to $5. The low daily price was about 50 cents per hundred pounds lower than the top price. It is, therefore, apparent that the receipts and prices of Dutch cabbage exert no appreciable influence upon the Florida product.

This difference in prices grows out of the fact that Florida cabbage is distinctly different from the Dutch or fall cabbage. The Florida cabbage is a rather small pointed head of spongy texture. It is relatively high in moisture, with inferior keeping qualities. On the other hand, the Danish type or late cabbage raised in the North is a large firm head, which may be stored for comparatively long periods without much loss. Our imports of cabbage from Holland are of the Danish type and come here particularly during the period when our supply of domestic late cabbage is becoming exhausted. Thus the Florida cabbage and Holland cabbage differ considerably from the point of view of the housewife. Although the two are used for similar purposes, the Florida cabbage must be used up immediately, whereas the Holland cabbage may be used over a fairly long period without a considerable loss through spoilage.

The factors which govern the price return of the early Florida cabbage may be listed as follows:

1. The condition of the cabbage upon arrival at the New York market.
2. The quantity offered on the market daily.
3. The quantity of the Danish type cabbage available.

As shown previously there has been a decided increase in the production of early cabbages in the present season. This, of course, has been accompanied by increased shipments, not only to New York, but to other consuming centers of the United States. However, there has been a decided decrease in the imports of cabbage from Holland. Furthermore, these imports, because of their small quantity, could have had little if any effect upon prices of the Florida cabbage, although they may have had some effect upon our northern or Danish type of cabbage. According to the market men in New York City, the price of cabbage depends largely not only upon the quantity

arriving daily, but also upon the quality, many of the shipments coming in are in part deteriorated and do not bring top prices. This is clearly shown by a study of the high and low daily prices which show fluctuations of as much as $1 between the high and low prices for a basket of 50 pounds of Florida white cabbage. Furthermore, a glut of the market, caused by the arrival of an excessive number of cars, will force the price down. Thus a study of the price changes of the Florida cabbages in the New York market shows at times violent fluctuations from day to day.

It is noteworthy that during the present season the prices obtained by the jobbers for the Florida cabbages are comparable to the prices obtained during the season of 1922–23, althought the Danish type cabbages have sold at a considerably lower figure. Furthermore, the sale of cabbages in New York City is conducted differently than that of citrus fruits and similar products. Although some cars are auctioned off at times, usually the goods upon arrival are consigned to commission men who dispose of them to best advantage. Thus the marketing problem is somewhat different than that in the case of fruits or onions, which are auctioned off daily in a centralized market.

Respectfully submitted.

HARRY L. LOWRIE,
Special Expert.

Approved:

L. B. ZAHOLEON,
Chief of Division.

THE MERCHANT MARINE

Mr. McKELLAR. Mr. President, I rose to suggest the absence of a quorum, but——

Mr. SMOOT. I do not think there is any necessity to suggest the absence of a quorum, for I was going to move that the Senate adjourn.

Mr. McKELLAR. If the Senator is going to move to adjourn, I shall not make the suggestion. I understood, however, there are some Senators who wished to be present this afternoon who are not now here.

Mr. SMOOT. Those Senators have not shown any disposition up to this moment to be present.

Mr. McKELLAR. I understood that the Senator from Pennsylvania [Mr. REED] and the Senator from Georgia [Mr. HARRIS] probably had some statements to make to the Senate.

Mr. SMOOT. I did not know that.

Mr. McKELLAR. But if they have not and if the Senator from Utah is going to move that the Senate adjourn anyway, I shall not make the point.

Mr. SMOOT obtained the floor.

Mr. JONES of Washington. Mr. President——

Mr. SMOOT. I yield to the Senator from Washington.

Mr. JONES of Washington. Mr. President, I desire to make a brief statement in relation to the same matter to which the Senator from Florida [Mr. FLETCHER] has referred; that is, with reference to section 28 of the merchant marine act of 1920. I have had a great many inquiries in regard to the situation and a great many requests for a hearing by the Committee on Commerce of the Senate. A bill was introduced in the other House extending the time for the taking effect of the section. Extensive hearings have been held before the committee of that body. The committee has presented a report, and I felt that it was unnecessary for the Senate committee to meet and duplicate those hearings, which have been printed and are available for our consideration. If the House shall act upon the bill, I want to say that when it comes to the Senate the Committee on Commerce will take up the matter very promptly and decide upon what we think is the wise thing to do.

As I said awhile ago, the Shipping Board was invested with the power and authority to put section 28 into effect. The committee felt that the administrative agency that has charge of shipping would be better able to determine when that section should go into effect than would any other agency. I feel that the Shipping Board ought to be able to take care of the situation. If the situation is not as they thought it was when they issued the order, if a showing has been made disclosing different conditions to exist from what they thought existed when they issued the order, they have the authority to withdraw that order, as I have said. I myself have urged the Shipping Board to canvass the situation very carefully and if, perchance, a mistake has been made that they should withdraw the order.

Like the Senator from Florida, I have been in favor of section 28. I believe that it is about all that is left that will enable us to give direct aid to the development of an American merchant marine. No one can tell what its effect will be until it is tried. Of course, those who oppose it, those whose interests would be adversely affected by its operation will try to keep it from going into effect, and I have not any doubt that those interests have been influencing and attempting to influence the various commercial organizations and commercial bodies and shippers throughout the country to resist the going into effect of that section. That is natural; it is a business way to proceed from their personal standpoint.

I want to see section 28 put into operation some of these days, so that it may be determined whether or not it will benefit the American merchant marine. I believe, too, that the people of this country and the interests of the country ought to be willing to endure a little inconvenience and possibly, at first, a little loss and a little disarrangement of business or transportation facilities in order to give it a trial, so that if it does what its sponsors believe it will do, they will have an American merchant marine to carry a large part of their products.

Briefly, section 28 merely provides that where under the law reduced rates are permitted over the American railroads for the transportation of goods imported into this country or of goods exported out of this country—and under the law as it is now they can be carried in any ship, whether American or foreign, and receive the preferential rates—such preferential rates can not be given when the section is put into effect except on imports or exports carried in American ships.

It can not be contended, of course, that there are American shipping lines from every port in this country to every other port in the world; there will never be a time when that condition exists. Neither is it true that there are foreign ships running from every port in this country to every port in the world. We can not expect to have American ships take advantage of the benefits of this act until the act is put into effect; but if this provision shall do what many of us hope it will do, then, when it shall be put into effect, the ports that have no American ships will probably get American ships, because American ships will know that if they go into the export and import trade they will get this preferential rate. It will be an inducement for American shipping to go into this business, but it offers no inducement to them to go into the business so long as its application may be put off from day to day or from month to month or from year to year.

For a long time American railroads were tied up by ironclad contracts with foreign shipping lines under which our railroads bound themselves to ship only over such foreign shipping lines. They bound themselves to furnish to them free docking facilities and, in many cases, wharfage facilities; they bound themselves to give many other different sorts of advantage that would aid the foreign shipping lines. I do not blame the railroads for doing that at that time, because we had no American ships; we had none built that were available; but I have not any doubt that many of these contracts are still in force. It is a very natural thing, it is a binding thing, and where these contracts are in force our own railroads are working to the detriment of American ships. I have not any doubt that in some cases our own railroads are behind much of the agitation against putting section 28 into effect. I have some confidential advices from persons, whom I know to be very reliable, who have attended the meetings of some of the commercial bodies of this country which have protested against the putting into effect of section 28, and they tell me that the representatives of foreign shipping lines and foreign railroads were present at such meetings and active and energetic in directing and influencing the proceedings.

There is not any doubt but that they have had very great effect and very great influence in working up this propaganda, which is indeed and in truth propaganda. There has come in from every section and port throughout the country telegram after telegram urging that this section be not put into effect, and then we see activities in foreign countries. I saw that over in Japan a few days ago they were protesting against this section going into effect, and even threatening to go so far as to invoke some treaty stipulations of some sort or character.

I can not believe that there are any treaty provisions that would be violated by putting this section into effect; but I want to say that so far as I am concerned one of the strongest arguments in favor of section 28 is the activity of foreign interests to prevent its going into effect.

Mr. OVERMAN. Mr. President, I desire to say that the responses of the Senator from Washington to the questions I asked have enlightened me very much, and I stand with him on this proposition.

Mr. JONES of Washington. I shall not take any more time, except that I have a few things here that I should like to put in the RECORD. I have had them here, intending to put them in, for some time, but the opportune moment did not arrive.

I see the Senator from Utah [Mr. SMOOT] looking at the large amount of matter I have before me, but I am not going to put all of it into the RECORD. It would be very interesting to do so, but I am going to put in just a little.

I have here some letters from the treasurer of the Moore & McCormack Co., of New York, managers of the Commercial Steamship Lines, which I ask may go into the RECORD. I also have here a letter from the Interstate Commerce Commission stating briefly the character of the products that have this preferential rate, and also the rates in a general form—of course not in full detail. It probably will be surprising to Senators to know how few of the articles of the country going into the export and import trade have this preferential rate. There is not such a great multitude of them.

Mr. FLETCHER. Mr. President, I think it likely that that is covered in one of the first statements I put in the RECORD; but this comes officially from the Interstate Commerce Commission?

Mr. JONES of Washington. Yes; this comes officially from the Interstate Commerce Commission.

Mr. FLETCHER. There is no doubt, as the Senator has said, that propaganda is back of this whole thing.

Mr. JONES of Washington. I ask unanimous consent that these letters may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, that order will be made.

The letters are as follows:

MOORE & MCCORMACK CO., INC.,
New York, N. Y., April 17, 1924.

Hon. WESLEY JONES,
Chairman Commerce Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The recent action of the American Steamship Owners' Association, of which I am a member, was taken by the executive committee and to which action I most vigorously protested. I contend that the proposed Newton bill in effect would nullify section 28 in that it proposed discretion taken from the United States Shipping Board and vested in the Interstate Commerce Commission, which was notoriously known as hostile to section 28. I would therefore like you to know that all the members of the American Steamship Owners' Association are not in accord with the action of the executive committee.

I contend that the American Steamship Owners' Association is not concerned as to whether or not this will invite retaliation. I contend further we are not the guardians of the railroads, who apparently are very well able to take care of themselves and further seem to be very ably guarded by the Interstate Commerce Commission.

I have passed a letter to Mr. Bausman, representing the Flour Mill Association of the United States, a copy of which I am inclosing for your information.

With kind personal regards, I am,

Yours very truly,

E. J. MCCORMACK, *Treasurer.*

APRIL 11, 1924.

Mr. R. F. BAUSMAN,
Manager Messrs. Washburn Crosby Co.,
17 Battery Place, New York, N. Y.

DEAR MR. BAUSMAN: I have the honor of acknowledging your letter of April 8 and note with a great deal of interest your forecast as to the effect of the application of section 28. I will reply in sequence to the various questions you raise.

1. In practical application I perceive no difference between "adequacy of tonnage" and "adequate shipping facilities." Both terms are intended to convey adequate service to meet the requirements of our foreign commerce.

2. I hesitate to question the good faith of the United States Shipping Board in their certification to the Interstate Commerce Commission that steamers of the proper type and character for the efficient handling of our foreign commerce obtains, or to prejudge that in the event of insufficient service obtaining, they will not correct the situation to meet the requirements of our commerce. I think that until such time as the United States Shipping Board fails to meet its obligations, it is ill-advised to question the sincerity of this governmental agency.

3. At the present time, the American services to various United Kingdom ports may not be on a parity with some of the foreign services. Section 28, however, was enacted into law for the specific purpose of enabling the American services to obtain a greater portion of this traffic, and the section itself is preferential and intended to bring about a situation whereby a major portion of our foreign commerce will be attracted to American vessels. The certification of the Shipping Board that adequate services obtain can not be construed as their obligation under section 28 to furnish a steamer for every barrel of flour destined to every remote hamlet or inlet in foreign countries. I know of no instance where foreign services obtain on this uneconomic basis. It is quite possible that some inconvenience does obtain by reason of shipments being discharged at Tilbury docks, some 21 miles from London, and that possibly some inconvenience may result to the shippers. But, as aforestated, section 28 was intended to develop, and facilities will obtain in the course of such development, commensurate with the support that the shippers give our Government. Certainly Mr. Woolworth did not build the Woolworth Building when he first opened his first 5-and-10-cent store. It is quite evident that you are not familiar with all the American services now in existence to United Kingdom ports. Our records indicate that you have been solicited repeatedly for cargo for Manchester without results. As to Hamburg from Philadelphia, New York, and Baltimore, I respectfully ask you to seek a little more information as to American services to German ports.

4. There is an inference in the reading of this paragraph that foreign lines have maintained, and are maintaining, adequate services to all 70 ports of Scandinavia and the Baltic. I am certain that your vast experience over so many years in the export business is sufficient to warrant more accurate information in this respect. For your information the only regular foreign service to Norway is to the port of Christiania; as cargo offers an infrequent service obtains to some of the west coast ports of Norway. There is another frequent service to Gothenburg, Sweden. It is, however, necessary to transship cargo from Gothenburg to all other ports in Sweden. To Copenhagen a regular service obtains, but cargo for Danish provincial ports is accepted conditional on transshipment at Copenhagen. To Finland there is only one direct service, which is a Shipping Board service, and to other Finnish ports we follow the same procedure as the foreign lines do in the transshipment to Finnish ports. Our other American services to the major ports of the Scandinavian and Baltic countries are as frequent and take in more direct ports than any of the foreign lines.

It would be very enlightening to ascertain the amount of foreign tonnage engaged in this traffic prior to and since the war, and compare it with the number of American vessels which have been added by the United States Shipping Board.

5. I am glad to know the flour exporters fully appreciate the value of the American merchant marine. If I may be pardoned for saying so, I think that their judgment as to the value of section 28 in the development of an American merchant marine is highly prospective and not based on any operative experience or knowledge of the operative features of an American steamer as compared with a foreign steamer. The development of the American merchant marine has been and is a problem which has taxed the minds of some of the most astute shipping men of the country. It has attracted the intelligent thought and study of the various shipping authorities of the world and up to the present no definite solution or accomplishment is in evidence. Therefore, with apologies to you for the thought you may have given this matter, I hesitate to accept your judgment or the judgment of the flour exporters which necessarily must be selfish as to whether or not section 28 is beneficial. I note your particular reference to Canadian flour in bond through the United States. The remedy to overcome what might appear to be a discrimination is to confine yourselves to the shipment in American ships and not in nullifying legislation intended to benefit American ships.

Your whole protest seems to be predicated on a prejudgment as to the adequacy of services. When the time arrives that the Shipping Board and owners of American tonnage have not fulfilled the implied requirement of establishing and maintaining reasonable services to conform with the act of 1920, you may be sure that you will have my heartiest cooperation in correcting any situation which operates to the detriment of the flour exporters or any other exporters.

Concluding, may I say that I am extremely pleased to have your comprehensive letter dealing with this situation because of the interest evidenced by the letter in the general problem with which we are all confronted? I am sure you will appreciate that we have a large investment in American steamers. The necessity of our existing and protecting our investment is as essential to us as is the sale of flour abroad to you. You are the shippers. We operate the ship. Our interests are mutual and therefore require cooperation. This mutuality is emphasized by reason of our living under the same flag.

Yours faithfully,

By ——— ———, *Treasurer.*

MOORE & MCCORMICK CO. (INC.),
New York, N. Y., April 21, 1924.

Hon. WESLEY L. JONES,
Chairman of the Commerce Committee,
United States Senate, Washington, D. C.

SECTION 28

MY DEAR SENATOR: Thanks very much for your kindly letter of April 19. You may be sure that I have no objection to your incorporating my letter to the flour exporters in the RECORD. The position of the flour exporters as to preferentials is particularly unique. The very

principle of an export rate to tidewater is a preferential rate to exporters to enable them to compete successfully with foreign competitors on their products. They have jealously guarded this preference, as applied to themselves, but protest most vigorously if it is contemplated that another American industry shall enjoy preference intended to overcome economic differentials as between American and foreign standards. In my opinion, their position is untenable and inconsistent. Now that an opportunity is given to make this preference in rail rates a weapon in favor of the hard-pressed American shipowner, the flour shippers protest vehemently because they fear some slight inconvenience to themselves in the application of the law.

Others protesting against this section have taken the position that it will invite port discrimination. From a practical standpoint I fail to follow their reasoning on this. The freight-rate structure, applying to all ports, has been developed after a comprehensive study both by the railroads and the Interstate Commerce Commission, and differentials presently exist and have been developed as a result of considering a wide scope of factors entering into each situation. I may mention some of them:

Volume of commodity originating on a trunk line.

Desire of the particular trunk line to attract that commodity to a port where it has the largest investment in terminal facilities and equipment.

Desire of the railroad to obtain the major portion of the rail haul.

Economy of handling freight at the various ports.

Limits of navigation and seasonal restrictions.

Docks and harbor facilities.

Prospect of the railroad obtaining a substantial back haul.

Steamship services and operation, and more particularly the rates, are developed by taking into consideration a number of the above factors. Steamship services have been developed as a result of the steamer following the largest volume of traffic, on the principle that volume is conducive to economy. Therefore there will always be the suggestion of port discrimination as between the larger ports having the greater number of rail arteries to and from and the smaller ports having the lesser number of rail connections. The question resolves itself down to "port jealousy versus economics." Section 28 will not change this situation.

An interesting protest was made by an attorney by the name of Defore, representing American companies engaged in the Caribbean Sea and transporting their products in foreign bottoms. These companies enjoy revenue on a basis of the American standards, and all their profits accrue from this direction, but they hesitate to make disbursements based on the same standards.

There are ports in the Caribbean Sea of very shallow draft which have not been exempted by the Shipping Board, for which service American vessels of the type necessary do not obtain, and which business is presently carried by time-chartered foreign ships, which would preclude the operators from changing the flags. In an instance of this kind, where the tonnage of a character necessary to accommodate this commerce is not available, either in the possessions of the Shipping Board or private owners, I am sure that the Shipping Board will recognize this situation and lift the ban as applying to these ports.

I have no patience, however, with operators who are operating tonnage under a foreign flag which they own and control and can readily transfer to the American flag.

I am certain that section 28 will not have the effect of eliminating any important foreign services from United States ports, for the reason that foreign buyers will continue to dictate carriage of their purchases in vessels of their own nationality, in which case they will be called upon to pay a premium for their patriotism. The American seller can always be guided by the desires of the buyer as to how far the latter cares to go from an economic standpoint with his patriotism. It is only a matter of the seller indicating two rates, one routing by an American vessel and the other by a foreign vessel, which method is not altogether new to the seller, inasmuch as there always obtained a differential as between fast and slow freight.

Knowing foreign services, as I do, I am confident that the real effect of this legislation will be to force foreign lines to absorb the amount of this differential, thus having the effect in the final analysis of placing the shipper on a parity of rates on either foreign or American vessels. The shipper will not be affected at all, but the American shipowner can more nearly meet the competition of lower foreign operating costs.

Some propaganda has been aroused by the discussion of this legislation against the Shipping Board. I am opposed to the abolishment of the Shipping Board for the reason that it is the first time in the history of the American Government that an American merchant marine has been recognized by the Congress as a necessity and has reflected such recognition in the creation of a governmental agency for such development.

If the Shipping Board functions badly, the remedy is not its abolishment or the abolishment of such beneficial legislation intended to help the American merchant marine; the remedy is changing the personnel of the Shipping Board. It may be that many changes will have to be effected before this governmental agency functions to the satisfaction of the country; but eventually this governmental agency should become just as efficient as the Interstate Commerce Commission, which, as you know, at its inception was fought strenuously by the railroads, who forecast their ruination by reason of its creation. The Shipping Board was called upon to function during a period of chaos and emergency and is still in the atmosphere of a post-war situation. That it has made many mistakes is conceded; that it will make a great many more mistakes is not beyond the range of possibility; but the remedy is not its abolishment or the abolishment of the Jones Act of 1920.

The Interstate Commerce Commission has become the bulwark of the railroads and at the same time it is the greatest safeguard and protector of the small shipper. I am sure that by the operation of the same economic laws the Shipping Board when finally it is evolved into as thorough and competent an organization as the Interstate Commerce Commission will prove to be quite as important in our commercial régime as the older body and will afford shippers in foreign trade the same degree of protection as is now afforded domestic shippers by the railroads.

Unfortunately there are very few Americans engaged in American steamship business, and, naturally, they have not the facility of broadcasting their views, but we are indeed fortunate in having a few men like yourself who have the interest of the country at heart and are not influenced by selfish propaganda.

Thanking you again for your very kindly letter, I am,

Yours faithfully,

E. J. McCORMACK.

M. & J. TRACY, INC.,
New York, April 25, 1924.

Senator WESLEY L. JONES,
Washington, D. C.

MY DEAR SENATOR: For your information, I am inclosing copy of a letter sent to the President in reference to section 28 of the merchant marine act.

Kindly be advised that, outside of the International Mercantile Marine and the Shipping Board, I do not know of any American ships, plying between here and Europe, that will be effected by section 28, as there are very few steamship operators who can afford, under the present conditions, to operate their ships between here and Europe. Therefore, the opposition to this section was not opposed by anyone but the Shipping Board representatives.

As far as section 28 is concerned, I do not believe that over 20 per cent of the tonnage exported from this port is exported on "through bill of lading" and "low export rate" of the railroads. Fully 80 per cent of the tonnage is moved on the domestic rate out of this port for European points, so that this enormous tonnage would not be effected by section 28.

I am in the hope that at least section 28 will be given a trial, and I do not hesitate to say that there will be scarcely a ripple in the export trade after a six months trial of this section.

Thanking you for your interest in the merchant marine, I remain

Very truly yours,

CHARLES L. O'CONNOR.

NEW YORK CITY, *April 25, 1924.*

To the PRESIDENT,
White House, Washington, D. C.

MY DEAR MR. PRESIDENT: Referring to the enforcement of section 28 of the merchant marine act approved June 5, 1920:

Evidently there is a difference of opinion as to how this section will work out, but anyone who will state that section 28 will not benefit the American merchant marine is stating something that is not so.

Why not let the section go into effect; and if there are not ample facilities furnished by the American merchant marine, then, according to the act, there is provision that "the commission, by order, may suspend the operation of the same."

What is simpler? And why all the protests that the section will prove a menace to the American export trade when it can be suspended by order of the board through the commission at any time a protest is made?

The flour-milling interests are the chief objectors, voicing a vigorous protest against the section. Why? Do they expect an American ship to compete against the world in foreign trade without any protection?

Why is the milling industry one of the most highly protected industries in the United States, receiving protection through the tariff to the extent of 78 cents per 100 pounds of flour, meanwhile paying $1 per bushel to the farmer for wheat and charging $6 to $7 per barrel for flour, and then requesting that the American merchant marine compete against the world without the protection which they demand for themselves but deny to the American ship?

Suppose the entire export milling industry was lost to the United States, would it affect the farmers? Very little, because the farmers could export their wheat just the same.

The export of flour for the year 1923 was about 15,000 tons per month, and when the United States Shipping Board certified that they had ample facilities to take care of the export trade, they certainly could find cargo space for only 15,000 tons of flour per month.

May I ask a few questions from the following departments of our great Government—

Executive department: Section 34 of the merchant marine or Jones Act is identical with section 102 of the La Follette Act. The La Follette Act is enforced, section 34 of the Jones Act is not enforced. Why?

State Department: The general commercial treaty between the United States and Germany signed and indorsed by this department practically signed away the power of America to protect the merchant marine. Why?

Tariff Commission: Certifying to the executive department that the Phillipine Islands could not be included within the coastwise laws because it would violate certain treaty rights. What treaty rights?

Interstate Commerce Commission: We also find one of the interstate commerce commissioners criticizing and condemning section 28, but he has nothing to say about the violations of the railroads issuing through bills of lading from inland points to foreign destinations in connection with foreign flag steamers in direct violation of section 25 of the interstate commerce act as added February 28, 1920.

Congress intended that the privilege of issuing through bills of lading by the railroad applied to American vessels only and so specified it in section 25 of the act. Why has this board refused to carry out the laws of Congress?

I now make the statement that nothing can be done for the American merchant marine until the executive branch of the Government, the State Department, the Tariff Commission, and the Interstate Commerce Commission cease working to destroy the right arm of the Navy by nullifying the laws of the United States, both by delay and nonenforcement and by signing away the rights of America to protect one of the oldest industries established in this country and the only industry that by law compels the employer to protect and feed its workers according to the American standard of living. And then these bodies deny to the industry that gives him a living wage and American conditions of living the protection that should be given to an American industry that is compelled to compete against the world.

Why not give to the American ship the right to live in competition against the world by allowing the first constructive legislation that has been passed by Congress for over a century ot go into effect—the greatest piece of marine legislation ever enacted by the United States, fostered by that great American, Senator W. L. JONES of Washington? Why condemn it without a trial?

Allow the American ships to be free to hire labor in the cheapest market (the same as foreign ships) and we will take our chances of competing with them, but if you desire to protect the American boy who wants to work the sea then prescribe for him any law or condition you wish him to work under, but remember at the same time to prescribe and formulate the laws under which the ship that gives him his employment can and will compete against the ships that do not have to live up to the laws of this land. The Jones Act, if enforced in full, gives to the American ship the measure of justice that is due her by the Congress of the United States, and now that it is a law, why delay the enforcement?

Respectfully yours, CHARLES L. O'CONNOR.

INTERSTATE COMMERCE COMMISSION,
Washington, April 22, 1924.

Hon. W. L. JONES,
Chairman Committee on Commerce,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I take up for reply your two letters of April 15, previously acknowledged, in which you ask for information with respect to rate differentials maintained by our railroads between export or import traffic on the one hand and domestic traffic on the other.

Many export and import rates, particularly the former, are maintained between points in the interior of the United States and various ports which are lower than the domestic rates between the same points. These differentials between foreign and domestic traffic are not uniform and vary widely as between commodities, ports, and localities. To make a complete compilation of export and import rates, together with the domestic rates from and to the same points, in order to ascertain the existing differentials, would be a colossal task and require much time and expense. The situation is illustrated to some extent by the attached statement. This shows a number of export rates on various commodities, the domestic rates from and to the same points, and the differentials. You will note that the differentials in cents per 100 pounds range from 1 cent to $2.15. You will further note that the differentials at the various ports on the same commodities from the same point of origin differ widely. For example, on automobiles (passenger) from Detroit the differential at New York is 39½ cents, at Boston 47½ cents, at New Orleans 97 cents, at Charleston $1.26, and at San Francisco $2.15.

In further explanation of the situation it should be said that except on grain, grain products, automobiles, iron and steel articles, agricultural implements, and a few other commodities, there are few export or import rates which are made lower than the domestic rates primarily to encourage exportation or importation. The general basis for most existing export or import rates is the system of port equalization established by the rail carriers under which traffic generally moves to or from the port having the lowest domestic rate at that or an equivalent rate, but to or from other ports export or import rates are maintained lower than the domestic rates with a view to equalizing, at least in part, the flow of traffic through the various ports. Otherwise the major portion of the traffic to or from given points would tend to flow through the port having the lowest domestic rate, thereby adding to transportation difficulties and making it less possible for shippers to obtain the benefit of the most favorable ocean rates and service at any given time.

As an illustration, your attention is called to the rates on soap from Cincinnati shown on the attached statement. The domestic rate to New York is 49 cents and export traffic moves on that rate. To Boston the domestic rate is 52 cents, but the export rate is 49 cents in order to permit the traffic to move through Boston on an equality with New York. To San Francisco and Seattle the domestic rate and export rate are, respectively, $1.50 and $1.15. The latter rate is not the same as to New York but is made considerably lower than the domestic rate in order to encourage movement to the Orient through Pacific ports. As ocean rates from Pacific ports to the Orient are in most cases lower than from North Atlantic ports the combination of rail and ocean rates through Pacific ports is thus made attractive even though the rail rates from point of origin are higher than to the Atlantic ports.

The inquiry in your second letter relative to "the approximate amount of this preferential under what the amounts received by the railroads would be under normal rates" is not entirely clear. If it is intended to inquire the average differential between export or import rates on the one hand and domestic rates on the other, the data on the attached statement will indicate that owing to the great diversity of rates and the great divergence between the differentials no estimate of the average differential would be sufficiently accurate to be of material value. The regular reports of carriers to the commission do not contain data as to movements upon particular rates, and there is no information on file with the commission showing the relative tonnage of, or revenue derived from, export or import traffic as compared with domestic traffic between the same points. Even if such data were available, it would be at best a guess to attempt to approximate the effect upon the carriers' revenues of substituting domestic rates for export or import rates because of the uncertainty as to the effect of such a change upon the tonnage moving. For example, manifestly much less soap would be likely to move from Cincinnati to Seattle on a rate of $1.50 than on the present rate of $1.15.

It is hoped that the information herewith submitted will serve your purpose, but I shall be glad to supply, if I can, such additional data as you may indicate.

Very truly yours,

HENRY C. HALL, *Chairman.*

(Inclosure.)

Statement showing export and import rates and the differentials between such rates

[In cents per 100 pounds]

From—	To—	Commodity	Domestic	Export	Differential
Cincinnati, Ohio	Boston	Soap	52	49	3
Do	New York	do	49	49	0
Do	New Orleans	do	80½	46	34½
Do	San Francisco	do	150	115	35
Do	Seattle	do	150	115	35
Do	New York	Machinery	49	49	0
Do	Boston	do	52	49	3
Do	New Orleans	do	80½	47½	33
Do	San Francisco	do	203	115	88
Chicago, Ill	New York	Packing-house products.	56½	56½	0
Do	Boston	do	59½	56½	3
Do	Charleston, S. C	do	81	54	27
Do	New Orleans	do	65	50½	14½
Cleveland, Ohio	New York	Enamel ware	47	47	0
Do	Boston	do	51	47	4
Do	Charleston	do	127	45	82
Do	New Orleans	do	136½	45	91½
Do	San Francisco	do	200	195	5
Detroit, Mich	Boston	Automobiles (passenger).	130	82½	47½
Do	New York	do	122	82½	39½
Do	Charleston	do	242½	116½	126
Do	New Orleans	do	213½	116½	97
Do	San Francisco	do	465	250	215

Statement showing export and import rates and the differentials between such rates—Continued

From—	To—	Commodity	Domestic	Export	Differential
Oklahoma City	Galveston	Cotton	106	106	0
Do	San Francisco	do	154½	135	19½
Do	Seattle	do	184½	135	49½
Chicago, Ill	New York	Agricultural implements	56½	47½	9
Do	Boston	do	59½	47½	12
Do	Charleston	do	81	54	27
Do	New Orleans	do	73	41½	31½
Do	San Francisco	do	193	100	93
Pittsburgh	New York	Structural iron	34	25½	8½
Do	Boston	do	36½	25½	11
Do	San Francisco	do	115	72	43
Chicago	New York	Flour	30½	23½	7
Do	do	Grain	30	22½	7½
Do	do	Grain products	30½	24½	6
Do	do	Glucose	51	40½	10½
Do	Boston	Grain	32	22½	9½
Chicago	do	Grain products	32½	24½	8
Do	do	Flour	32½	23½	9
Do	do	Glucose	53	40½	12½
Do	New Orleans	Grain	45½	30½	15
Do	do	Grain products	45½	32½	13
St. Louis	New York	Sugar-mill machinery	73½	52½	21
Do	Boston	do	76½	52½	24
Lexington, Ky	New York	Unmanufactured tobacco	66	57½	8½
Do	Boston	do	70	57½	12½
Ashtabula, Ohio	New York	Iron and steel	42	31½	10½
Do	Boston	do	45	31½	13½
Chicago	Pacific coast ports	Canned goods	150	120	30
Do	do	Plate glass	233½	110	123½
Do	do	Pig lead	168	100	68
Do	do	Pianos	358	340	18
Do	do	Starch	166½	110	56½

Mr. JONES of Washington. Mr. President, the documents that I hold in my hand are copies of contracts between American railroads and foreign steamship lines of the character to which I have referred. I am not going to ask to put these in the RECORD at this time, although I think it would be a good thing for us to have them printed, and I may ask that by and by. Many of these contracts have been canceled, however. Two or three years ago the Shipping Board made a very determined effort to have all these contracts canceled, and many of our railroads did cancel their contracts; but I have in my hand a copy of a contract between the Great Northern Railway Co. and the Nippon Yusen Kabushiki Kaisha, of Tokyo, in the Empire of Japan. This contract is dated the 18th day of October, 1921, and I want to read just one or two paragraphs from it.

In the first place, article 4 says:

The N. Y. K.—

That is the Japanese line—

shall have the right to name the ocean rates. The G. N.—

That is the Great Northern—

or its connecting lines shall have the right to name the inland rail rates.

* * * * * * *

ART. 6. The G. N. hereby agrees to act as agent in the United States and Canada for the N. Y. K., except at places where the N. Y. K. provides its own office, agent, and necessary help. * * *

What is the effect of that? It makes every agent of the Great Northern Railway an agent for the Japanese shipping line across the Pacific.

ART. 7. The N. Y. K. shall pay to the G. N. a commission of 2½ per cent of the revenue derived by the N. Y. K. on outward local cargo and passengers secured for the N. Y. K. through the medium of the said agencies of the said G. N.

Now, notice: The G. N. is an American railway company.

ART. 8. The G. N. shall give preference to the N. Y. K. over all other steamer lines in the routing of cargo and passengers outbound, and preference of transportation to the through cargo and passengers which are carried or are to be carried inbound or outbound by N. Y. K. steamers.

Mr. WILLIS. Mr. President, does the Senator know whether the other contracts, copies of which he has before him, are similar to this one in the statement which he has just read?

Mr. JONES of Washington. Very similar; yes.

Mr. WILLIS. I hope the Senator will place at least one of those contracts in the RECORD in full, so that the country may know of the foreign influence that is active here to break down the efforts made to build up an American merchant marine.

Mr. JONES of Washington. I am going to put this contract in the RECORD in full.

ART. 10. If steamers in addition to the steamers of the N. Y. K. shall be required by the G. N. for the transportation of through cargo and passengers carried via said ports, the N. Y. K. shall have the first right to furnish such additional steamers or accommodations.

This contract is to continue in force for 10 years, with provision, of course, for its revocation at an earlier date.

Mr. FLETCHER. What is the date of it?

Mr. JONES of Washington. It is dated the 18th day of October, 1921.

Mr. FLETCHER. I think perhaps that is the same contract that is referred to by Commissioner Thompson.

Mr. JONES of Washington. It may be. I understand, though I do not think I have that contract, that the Chicago, Milwaukee & St. Paul has a similar contract with Japanese lines; and these two roads absolutely refused to cancel those contracts, although very urgently requested and urged to do so by the Shipping Board.

I ask that this contract may be printed in full in the RECORD.

The PRESIDENT pro tempore. Without objection, the contract will be printed in full in the RECORD.

The contract is as follows:

Agreement, made in St. Paul, Minn., in the United States of America, this 18th day of October, 1921, between the Nippon Yusen Kabushiki Kaisha, of Tokyo, in the Empire of Japan, party of the first part, and the Great Northern Railway Co., party of the second part.

Witnesseth:

Whereas the parties hereto heretofore entered into a certain agreement of date the 1st day of November, 1908, said agreement being canceled, except as to unfinished business, by the agreement dated the 1st day of November, 1911, for the purpose of establishing connecting lines for the carrying of through cargo and passengers between points served by the lines of the party of the second part through Seattle, or other equally safe port on the waters of Puget Sound, and the different ports of Japan; China, including Hongkong; Russia, bordering on the Japan Sea; the Philippine group, the Straits Settlements, Dutch East Indies, ports of India, Australia, and the east generally, served by the lines of the party of the first part; and

Whereas it is the desire of the parties to continue their contractual relations for the maintenance of such through traffic, but upon terms and conditions somewhat different from those contained in the contracts as above dated;

Now, therefore, the parties hereto agree as follows:

ARTICLE 1. The party of the first part shall be hereinafter designated the "N. Y. K.," and the party of the second part shall be hereinafter designated the "G. N."

ART. 2. The parties hereto or their authorized agents may respectively issue through bills of lading and passenger tickets to various points as shown in the tariffs of the parties hereto or their connections, as authorized from time to time.

ART. 3. The through rates for the transportation of through cargo and passengers between the different ports referred to herein and the proportions thereof of the respective parties hereto shall be governed by the proper current tariffs or division agreements, subject, so far as possible, only to such changes as may be required by the necessities and exigencies of trade.

ART. 4. The N. Y. K. shall have the right to name the ocean rates.

The G. N. or its connecting lines shall have the right to name the inland rail rates.

The right to name rates hereunder conferred upon the parties hereto, respectively, shall extend only to the usual and ordinary changes in rates and published tariff rules. Any extraordinary change in rates shall be made only after mutual conference, so far as possible.

ART. 5. All contracts for through cargo and passengers, both Japan and American bound, shall be made in United States gold or its equivalent.

ART. 6. The G. N. hereby agrees to act as agent in the United States and Canada for the N. Y. K., except at places where the N. Y. K. provides its own office, agent, and necessary clerical help.

The N. Y. K. shall act as agent for the G. N. in China, Japan, and in the East generally, performing such reasonable duties as are from time to time authorized by the G. N.

Each of the parties, however, hereby reserves the right to appoint and maintain at its own sole cost and expense its own office and agent at any point for the purpose of soliciting and securing freight and passenger traffic.

ART. 7. The N. Y. K. shall pay to the G. N. a commission of 2½ per cent of the revenue derived by the N. Y. K. on outward local cargo and passengers secured for the N. Y. K. through the medium of the said agencies of the G. N.

ART. 8. The G. N. shall give preference to the N. Y. K. over all other steamer lines in the routing of cargo and passengers outbound, and preference of transportation to the through cargo and passengers which are carried or are to be carried inbound or outbound by N. Y. K. steamers.

The N. Y. K. shall give preference to the G. N. over all other rail lines in the routing of cargo and passengers inbound, and preference of transportation to the through cargo and passengers which are carried or are to be carried by the G. N., provided that the G. N. give due notice of at least 30 days to the N. Y. K. offices at Seattle or New York of space required for through cargo upon any boat and obtain confirmation thereof.

However, either of the parties hereto may forward such through cargo via other rail lines or other steamship lines under through bills of lading in case of extreme necessity or when in its judgment failure to so forward cargo will subject it to loss of future business or to claims for damage.

ART. 9. Each party shall use its best endeavors to secure through cargo and passengers hereunder, and such through cargo and passengers shall have reasonable dispatch. Special attention shall be given by the G. N. to the protection of high-class cargo, such as silk and tea.

ART. 10. If steamers in addition to the steamers of the N. Y. K. shall be required by the G. N. for the transportation of through cargo and passengers carried via said ports, the N. Y. K. shall have the first right to furnish such additional steamers or accomodations.

ART. 11. In the exchange of cargo at said Seattle or such other equally safe port on the waters of Puget Sound, delivery of such cargo shall be made alongside the steamers or at the proper place of rest in shed, or otherwise, according to the practice of the operating docks, and liability of the respective parties for such cargo shall terminate with such delivery. On delivery of such cargo by the N. Y. K. to the G. N. and on receipt of such cargo by the N. Y. K. from the G. N. receipts shall be exchanged between the parties which shall fairly indicate the loss or damage, if any, at the time of such receipt or delivery, and the responsibility of the respective parties shall be determined thereby.

ART. 12. The G. N. shall be responsible for any loss or damage to cargo, whether local or through, while the cargo is held in the possession or under the supervision of the G. N.'s docks.

ART. 13. The N. Y. K. shall keep and save the G. N. harmless from any and all damages, loss, or claims arising out of any loss or damage to the cargo transported hereunder at any time prior to the delivery of such cargo by the N. Y. K. to the G. N., or after the same shall be delivered by the G. N. to the N. Y. K.

The G. N. shall keep and save the N. Y. K. harmless from any damages, loss, or claims growing out of any loss or damage to said cargo prior to the delivery thereof by the G. N. to the N. Y. K., or after such cargoes shall have been delivered to the G. N. by the N. Y. K.

ART. 14. The N. Y. K. shall keep and save the G. N. harmless from all loss, damage, or expense growing out of any injury to passengers or to their baggage, caused by its servants or agents, or by any defects in its property, tools, or any facilities provided by it for use in the transaction of its business.

The G. N. shall keep and save the N. Y. K. harmless from all loss, damage, or expense growing out of any injury to passengers or to their baggage, caused by its servants or agents, or by any defect in its property, tools, or any facilities provided by it for use in the transaction of its business.

ART. 15. The delivery of all through American bound cargo transported hereunder shall be effected by the G. N. to be cleared when necessary by the G. N's. agents on the consular or other necessary documents to be furnished by the parties hereto, respectively, and if any expense is necessary in connection with clearance of such through cargo by the United States customs authorities, such expense shall be paid by the G. N.

ART. 16. The G. N. shall, when necessary, execute all proper bonds to the Government of the United States, to secure the right to receive and handle through cargo and passengers in bond.

ART. 17. On receipt of through cargo from the N. Y. K., the G. N. shall promptly pay to the N. Y. K. according to the proper ocean rates the full cargo earnings due the N. Y. K. on shipments on which the freight is collectible at destination, and the N. Y. K. shall promptly pay to the G. N. any amounts which have been collected by the N. Y. K. for prepayment of rail charges to be earned by the G. N. and its connecting lines.

On receipt of through cargo from the G. N., the N. Y. K. shall promptly pay to the G. N., according to the proper legal tariffs, the full cargo earnings due the G. N. and its connecting lines on shipments on which the freight is collectible at destination, and the G. N. shall promptly pay to the N. Y. K. any amounts which have been collected by the G. N. or its connecting lines for prepayment of ocean charges to be earned by the N. Y. K.

ART. 18. All accounting shall be handled between the respective offices of the parties hereto in accordance with procedure agreed upon from time to time between the parties, it being understood that any accounts kept and statements made up by the G. N. are to be kept and made up and settlements made in the money of the country where the respective officers of the G. N. are located.

ART. 19. Any loss of earnings on cargo ultimately arising without any fault on the part of either of the parties hereto, or of their connecting lines, or where the responsibility for loss or damage can not be placed as between the parties, shall be divided in proportion to the respective earnings on the shipments out of which such loss arises.

ART. 20. Any dispute concerning these presents shall be referred to the decision of an arbitrator to be appointed by mutual agreement by the N. Y. K. and the G. N., or if they can not agree upon the appointment of a single arbitrator, to the decision of a board composed of three arbitrators, one of whom shall be appointed by the N. Y. K., one by the G. N., and the third by the two so appointed, before entering upon the hearing of such dispute. Said arbitrators shall make their award in writing, and the award so made by said arbitrators or any two of them, shall be binding and conclusive upon the parties hereto, upon the matters submitted to them for decision.

ART. 21. Pending such arbitration and the decision of the arbitrators, business shall be conducted hereunder, and this agreement shall be carried out in all respects, as it was conducted and carried out prior to the submission of such dispute to arbitration; but after the decision of the arbitrators, such payments or refunds shall be made and such changes in the method of doing business shall be adopted as may be required by such decision.

ART. 22. The agreement heretofore existing between the parties hereto of date 1st day November, 1911, referred to in the recital herein, having expired, is hereby declared to be of no further effect, except that all matters and things done thereunder and yet incomplete shall be completed in accordance with the terms thereof.

ART. 23. This agreement shall take effect on the 1st day of November, 1921, and shall, except as hereinafter provided, continue in force for the period of 10 years thereafter, but either party shall have the privilege of canceling the agreement by giving six months' written notice of its desire to withdraw therefrom, it being understood that this agreement, or any supplement thereto, may, at any time be altered or amended by mutual consent.

In witness whereof, the said parties hereto, the Nippon Yusen Kabushiki Kaisha, and the Great Northern Railway Co. have, through their lawfully appointed representatives, caused their names to be subscribed and their seals affixed, on this 18th day of October, 1921, in St. Paul, Minn., in the United States of America.

NIPPON YUSEN KABUSHIKI KAISHA,
By M. WATANABE, *Attorney in Fact*,
GREAT NORTHERN RAILWAY CO.,
By RALPH BUDD, *President*.

In presence of—
W. P. KENNEY,
P. H. MCCLELLAND.

Mr. JONES of Washington. I shall not at this time ask for the printing of these other contracts; but they are very similar, going in some particulars further than this contract in the way that they agree, as I said awhile ago, to see that free wharfage facilities are furnished, and in some cases they pledge themselves to seek to relieve the shipping companies from local taxation in every way that they possibly can.

RESTRICTION OF IMMIGRATION

Mr. HARRISON. Mr. President, I notice that at least one of the Senate conferees on the immigration bill is on the floor of the Senate, and it has been rumored around on the floor of the Senate that they are going to read a statement to the Senate this afternoon. I observe that the Senator from South Dakota [Mr. STERLING] is present.

Mr. STERLING. Mr. President, did the Senator from Mississippi refer to me?

Mr. HARRISON. I have just stated that I saw some of the conferees on the immigration bill here, and it is rumored that they are going to make a statement this afternoon.

Mr. STERLING. I think it is the expectation of the Senator from Pennsylvania [Mr. REED] to do so. In fact, I thought he had already appeared in the Senate and made the statement. He can be found, I think, in a few moments, and it can be ascertained whether or not he desires to make a statement.

Mr. SMOOT. The Senator from Pennsylvania just sent word to me about adjourning. He does not expect to make any statement.

Mr. HARRISON. I had understood that there was some difference between the conferees and the President, and I was just wondering if they had gotten it ironed out.

Mr. STERLING. That was not the subject of any statement the Senator from Pennsylvania [Mr. REED] expected to make.

Mr. HARRISON. A statement will not be made, then, touching the Japanese question?

Mr. STERLING. No.

PROTECTION OF ALASKAN FISHERIES

Mr. JONES of Washington. Mr. President, I understand that the Senator from Utah [Mr. SMOOT] is about to move an adjournment until Monday. We will have a morning hour, of course, if that is done. I want to state that I should like to take up at some time during the morning hour—I think probably it can be done without very much discussion, probably by unanimous consent—House bill 8143, for the protection of the fisheries of Alaska, and for other purposes. It is a very important measure indeed. The salmon season is coming on very rapidly, and I hope I shall be able to have the bill passed on Monday at some time.

Mr. LODGE. It is a very important bill.

EXECUTIVE SESSION

Mr. SMOOT. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 4 o'clock and 47 minutes p. m.) the Senate adjourned until Monday, May 5, 1924, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 3 (legislative day of April 24), 1924

PROMOTION IN THE ARMY

To be major

Second Lieut. Ambrose Irving Moriarty, retired, to be a major on the retired list of the Regular Army, to rank from April 28, 1924, with retired pay as prescribed by law for a major of his length of service retired prior to July 1, 1922.

COAST AND GEODETIC SURVEY

Roger Cushing Rowse, of Missouri, to be aid, with relative rank of ensign in the Navy, by promotion from deck officer, vice R. W. Byrns.

Frederick Gurnee Outcalt, of New Jersey, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice W. O. Manchester.

Edwin Jay Brown, of Michigan, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice J. A. Bond.

Henry Arnold Karo, of Nebraska, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice J. D. Crichton, promoted.

Jack Chester Sammons, of Kentucky, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice J. W. Cox, resigned.

George Livingston Anderson, of Virginia, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice Benjamin Friedenberg, promoted.

Isidor Rittenburg, of Massachusetts, to be junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, by promotion from aid, with relative rank of ensign in the Navy, vice L. O. Stewart.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 3 (legislative day of April 24), 1924

SECRETARIES OF EMBASSIES OR LEGATIONS OF THE DIPLOMATIC SERVICE

CLASS 1

John Campbell White.

CLASS 3

Raymond E. Cox.
Percy A. Blair.
Thomas L. Daniels.
Lawrence Dennis.

POSTMASTERS

PENNSYLVANIA

James I. Steel, Shamokin.
Ray J. Crowthers, West Elizabeth.

WEST VIRGINIA

Alphonse Leuthardt, Grafton.

HOUSE OF REPRESENTATIVES

SATURDAY, *May 3, 1924*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou, in whose presence our souls take delight and find calm and joy and peace, give us the faith that casts out fear and fortifies the heart. With all eagerness for truth and wisdom, may we approach our duties and bear our responsibilities. Let come into our lives a more charitable, vigorous, and richer religion, flowering into sweeter sentiments and ripening a larger harvest of human brotherhood and cooperation. Bless the Speaker and all Members and officers of this Congress. As men chosen for a great service, help us to stand for truth and right. Always bless us with the assurance that we have as our allies time and eternity, the universe, and God. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

CAPE COD CANAL

Mr. SNELL. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

Report from the Committee on Rules for the consideration of H. R. 3933, entitled "A bill to provide for the purchase of the Cape Cod Canal property, and for other purposes."

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed joint resolution (S. J. Res. 119) making appropriations for contingent expenses of the United States Senate, fiscal year 1924, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate concurs in the amendments of the House to the bill of the Senate (S. 2902) entitled "An act authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation in Idaho for reservoir purposes in connection with the Minidoka irrigation project."

SENATE JOINT RESOLUTION REFERRED

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 119. Joint resolution making appropriations for contingent expenses of the United States Senate, fiscal year 1924; to the Committee on Appropriations.

INLAND WATERWAYS CORPORATION

Mr. SNELL. Mr. Speaker, I present another privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents another privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

Report from the Committee on Rules for the consideration of H. R. 8209, a bill entitled "To create the Inland Waterways Corporation, for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the transportation act, and for other purposes."

EXTENSION OF REMARKS

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent that I may have leave to revise and extend the remarks which I made on yesterday.

The SPEAKER. The gentleman from Alabama asks unanimous consent to revise and extend the remarks he made on yesterday. Is there objection? [After a pause.] The Chair hears none.

BARKLEY-HOWELL BILL

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Barkley bill.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD on the Barkley bill. Is there objection? [After a pause.] The Chair hears none.

Mr. PATTERSON. Mr. Speaker and fellow Members of the House of Representatives, during the past two weeks my mail

has consisted mainly of protests from railroad employees and business men against the passage by Congress of H. R. 7358, introduced by Mr. BARKLEY, of Kentucky. Hundreds of such letters have been received by me, the total reaching almost the same number of epistles received in favor of the plan of tax reduction advocated by Secretary of the Treasury Mellon. But one letter in favor of the passage of the Barkley bill was included in the large volume that poured into my office.

To show the wide interest that the Barkley-Howell bill is creating throughout our great country, I wish to quote the following communication, which is a fair sample of the manner in which this proposed legislation is viewed throughout the land:

DEAR SIR: Attention is respectfully drawn to a bill known as S. 2646, and the Howell-Barkley bill before Congress at the present time, which if enacted into law will deprive a great number of men working in the employ of railroads all over the United States, and particularly on western railroads, of their inalienable right to representation on any board or body presuming to function for them.

It has been pictured to the Senate Committee on Interstate Commerce that the whole country, excepting the railroad management, is supporting the bill. This is anything but the truth, and the obvious purpose of the statement is to befuddle the minds of those not fully informed in the matter so that the measure might be enacted into law for the benefit of the proponents of the act to the exclusion of others to the number of possibly 700,000.

The bill proposes adjustment boards which are made up of an equal number of men, respectively, from the managements of railroads and from the nationally organized crafts. In this connection I would beg to draw your attention to the fact that there are, as far as the crafts mentioned in boards No. 2 and No. 3 are concerned, a greater number of men that are not members of the nationally organized crafts than those that are.

The plan as laid out proposes to place a cost against our Government to the extent of $356,000 for salaries alone, and with the added expense that is made permissible the first cost can easily be increased to a million dollars a year. The fact is that the framers of the bill have appreciated the cost and have made provision in section 8 for drawing on any unappropriated funds in the Treasury to the extent of $500,000 up to the 1st of July, 1924. And this expense to be saddled upon us and the rest of the public without either of us having one iota of representation. This is "taxation without representation" with a vengeance and makes one wonder if it is going to be necessary to reenact the scenes of the Boston tea party.

Inclosed you will find a little paper published by our independent organization, which carries on page 4, under the caption "Presentation by your delegates," our statement made before the subcommittee of the Committee on Interstate Commerce April 7, 1924.

We most respectfully ask that you give said article such consideration as you can, so as to learn our views on the matter, the better to determine whether the proposed bill does not smack of class legislation.

Naturally these hundreds of letters aroused my interest and led me to make a more careful study of this legislation than might have been the case under other circumstances, especially in view of the fact that the Committee on Interstate Commerce had been relieved of any consideration of the measure by reason of the presentation of a petition to the House of Representatives signed by 154 Members, thus precipitating the matter into this body before any of the Members had had time to digest its provisions or gain any idea of its importance. Such methods of legislation bear a close relation to mob rule and should be condemned by everyone who has the interest of the people and his country at heart. The committee of this House of which I have the honor to be a member sat for 42 days to hear the proponents and opponents of an important measure before that body for consideration, and at the end of that lengthy hearing the proposed legislation was rejected by a decisive vote, and, although I was favorably inclined toward the bill and voted to report it to the House, I also had the satisfaction of knowing that the proponents of the legislation had had their day in court and had no cause for complaint.

But in this case there has been no hearing given either side, and all the information that the Members of the House have on the subject is what they have been able to obtain themselves or gleaned from the propaganda sent them by either labor leaders or the representatives of the railroads.

To my mind that is certainly a most crude manner in which to attempt to enact important legislation that is bound to affect many millions of people and cause bitter controversy in place of the peace and contentment now existing under the provisions of the present transportation act. The railroads are just getting upon their feet, and their employees are prosperous and happy. Why, then, should we start another industrial war that possibly would upset all business and lead to endless strife and trouble before we have given a fair trial to the present transportation act? To me it seems the height of folly to countenance such legislation at this time, and the only explanation I can find for this attempt to unstabilize business is the fact that we are on the eve of a presidential election, and such occasions are always seized upon as the opportune moment to force through measures supposed to be in the interest of labor. But the word that I have received from the business men and the people of my district is that they are opposed to the Barkley bill and the methods employed to attempt its forced passage by Congress, and therefore my vote will be recorded against it.

The Barkley bill, from my reading of it, provides for four boards of adjustment, two of 14 members each and two of 6 members each, appointed by the President, half from nominations made by nationally organized crafts and half from nominations made by carriers. This creates 40 annual salaries of $7,000 each, amounting to $280,000; and four secretaries, at $4,000 each, $16,000 more; besides salaries of employees to be employed by the boards at rates they fix—see page 12. Also, a board of mediation and conciliation of five members, at $12,000 per annum each, a total of $60,000; besides the pay of attorneys, assistants, special experts, clerks, and other employees provided for in paragraph 3, page 15, and arbitration boards, further provided for in section 7, the estimated annual expense being about $1,000,000. In these days, when the people are demanding a reduction in taxation and the abolition of the many useless boards and bureaus that now encumber our Government, it would seem to me that we should go rather slow in considering such legislation and adding that expense to an already overburdened public.

One of the objections to the bill is that the 16 nationally organized crafts absolutely control the appointment of one-half of the adjustment boards, while a majority of the railroads' employees are not affiliated with the nationally organized crafts, but are local independent unions, and their members will be at the mercy of the nationally organized crafts.

I am not opposed to union labor. In fact, I am in favor of it unless they go too far and make demands that are unreasonable and unjust, and that is what I claim they do in this instance. I have employed union labor for over 30 years, and have never had a dispute with my employees during that time. In that period their wages have risen from $12 a week to $60, and my firm has paid them several million dollars.

On page 5 of the Barkley bill, section 2, the reference to general duty is taken from title 3 of the transportation act, which act made it the duty of carriers, officers, and so forth, to exert every reasonable effort and adopt every available means to avoid any interruption to the operation of any carrier growing out of any dispute between carrier and employee. The Barkley bill makes it the duty of the carrier, officers, and so forth, to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions and to settle all disputes arising out of the application of said agreements in order to avoid any interruption to the operation, and so forth. But paragraph 8, page 34, relieves the employees in case of adverse decision by the arbitrators, because there is nothing to prevent them from quitting their jobs. That seems to be one of the jokers in the Barkley bill, and if the employees do not like the decision of the arbitrators the public can walk, as far as they are concerned. The report is prevalent that the bill has been designed to bring about Government control or ownership, or at least make the nationally organized unions the dictators to the railroads and the public, and you will find that a great majority of the American people are opposed to any such program. They want labor to secure fair treatment and a square deal, but they are not willing to abdicate railroad control into the power of any one class. Personally, it seems to me the bill is un-American, unfair, and not as good for the public as the legislation it seeks to replace.

There should be a clear explanation of the alleged defects in title 3 of the transportation act of 1920 and the act of July 15, 1913, providing for mediation, conciliation, and arbitration, so as to justify the repealing of those acts and substituting the provisions of the Barkley bill, with its questioned procedure and enormous expense, and that explanation should be before a committee where everyone in favor of or opposed to the pending bill could be fully heard—the public who are vitally interested, the employees not represented by nationally organized labor unions, the carriers, and the nationally organized labor unions themselves. So much labor and care were expended on the act of 1920 that it seems to me almost criminal to repeal it and substitute something else without an opportunity for interested persons to be fully heard.

SOLDIERS' ADJUSTED COMPENSATION

Mr. FAIRCHILD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the adjusted compensation bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD on the adjusted compensation bill. Is there objection? [After a pause.] The Chair hears none.

Mr. FAIRCHILD. Mr. Speaker, it is now nearly five and a half years since the close of the European war, when a great victory was won by the valor and the fighting qualities of the American soldier boys. Lest we forget—who is there who can forget? Who is there among the membership of this House who served during the war Congress who can forget those fearful days when by our votes more than 4,000,000 of our young men were separated from homes and loved ones, from jobs and opportunities in life, to fight the battles of our country? And they fought. They fought like heroes. They turned the tide of battle and carried the American flag to a glorious triumph, the fame whereof will live with an increasing luster as long as history continues to be written.

Lest we forget—who is there among us who can forget? During the war days, and since, our work here in Congress has constantly brought home to our knowledge the great sacrifices made by our brave soldier boys; the great sacrifices, the distress and suffering endured by the dependents at home. We have come to know something of the economical and physical handicaps from which these boys and their families have suffered. Time has not lessened our knowledge. It has, rather, increased it with each new distressing case claiming our attention and arousing our sympathies.

We know something of the vast numbers of young men who, due to their Army experiences, have suffered and are still suffering not only from economical handicaps but from physical ills as well. We have been told in one of those phrases coined by the propagandists that everything should be done for the sick and disabled but nothing for the "able-bodied young men better off because of their Army experiences." "Able-bodied young huskies," wrote one correspondent from home, influenced, no doubt unconsciously, by one of the many expressions to which a certain portion of the press has given currency. But we who served in Congress during the war and since have come, with the lapse of time, more and more to know, as distressing incidents have piled upon distressing incidents, how utterly false is that propaganda which seeks to divide the veterans into only two classes—those who are injured to a compensable degree where relief can be obtained from the Veterans' Bureau and those who are able-bodied and better off because of the war experiences.

We know there are large numbers with impaired health, with physical suffering from war experiences, not of a nature permitting compensation through the Veterans' Bureau. No statute can describe with that degree of accuracy essential to proper administration by administrative officers those ills of the many who physically are not as well off as prior to their terrible war experiences. We know when we see and converse with them and ineffectually fight their cases before the Veterans' Bureau that they have lost ground physically, and one's sympathies and sense of fair play can not but be aroused. Mothers, wives, and children, dependents of these soldier boys, have suffered and are suffering, and it is with some thought of these dependents that the adjusted compensation bill has provided a 20-year endowment policy in lieu of cash, the same as did the adjusted compensation bill that passed the last Congress.

Mr. Speaker, we have passed a bill with the purpose that it shall be enacted into law. The recognition, much too long deferred, justly due the veterans is at last in some measure to be accorded them. In its essential feature the bill is the same as passed the last Congress—a 20-year endowment policy in lieu of cash. When the boys returned home in 1919, out of employment, with their meager Army pay discontinued, and dependents unprovided for, then was the time their compensation should have been adjusted and paid in cash. The failure to do so was a grievous wrong and has entailed much suffering, as we all know.

In 1922 we met the objection of the President that without new and additional taxes no money was in the Treasury with which to pay the compensation. It was then that the plan of a 20-year endowment policy was first adopted, embodied in the bill that passed the last Congress. But by 1922 there was another and an appealing reason for the endowment policy plan instead of cash. The veterans had mostly secured some measure of employment, although it was a struggle to make ends meet with the high cost of living and with the accumulated debts for family support accumulated while the boys were at the front or before they secured employment after arrival home. Every thrift argument in favor of life-insurance 20-year policies was equally applicable to these Government endowment policies. The accrued value is made payable to the veterans at the end of 20 years, or in event of death to his beneficiaries. Here is something to take home to wife or mother. Here is something to make the veteran and his family feel that some recognition has at last been given to those whose services and great sacrifices won the war.

The speech I made in the last Congress in favor of the adjusted compensation bill is equally applicable to-day. When letters from opponents of the bill have mirrored the misrepresentations of the press, I have fervently wished that there could have been opportunity to discuss with these correspondents the various features of the proposed legislation. I realized then, and with the renewed attacks from certain of the press during this Congress I have continued to realize, that unfortunately the active business man has little opportunity for independent investigation and is therefore of necessity dependent upon the ex parte statements of the papers he reads.

The gross misrepresentations of the press opposing this legislation have exceeded in mendacity any previous instance within my experience and observation. Recently, in evident anticipation that the bill would become a law, when the truth would be brought home to the people, these papers abandoned their "five-billion raid" cry and indulged in a new falsehood to the effect that the endowment policy plan is a change from the bill in the last Congress, which it is not. There is no cash option in the present bill. There was no cash option in the bill that passed the last Congress.

In that portion of the press opposing this legislation it has been repeatedly suggested that Members of this House are being subjected to threats, coercion, and undue pressure upon the part of those who favor this legislation. I have received letters from good, sincere friends at home, misled by this false propaganda, urging me not to surrender to "the threats of bonus propagandists." Mr. Speaker, upon my solemn oath, up to the present moment I have yet to receive the slightest hint of a threat from those who favor this legislation. I have received from them appeals and arguments upon the merits but not the slightest semblance of attempted pressure or threats. This statement was made by me in the last Congress. It was true then. It is true to-day. All the threats, all the questioning of motives, have come exclusively from opponents of the bill.

It is true that I have received threats. It is true that I have been subjected to attempted coercion. A considerable number of communications have attempted to influence my vote on this measure, with threats of loss of votes for me on election day. But, Mr. Speaker, communications of this nature have been limited exclusively to those who have written in opposition to any adjustment of compensation for the boys who were taken away from opportunities in life and sent to the battle front at $1 and $1.25 per day. From those who have sympathized with these boys, with their lost opportunities, with the lack of employment they have suffered, with the uncertainties of their future, with their impaired health, has come no word of threat, not even a word of protest. Only kindly appeals have come from them. The intolerant demands, coupled with threats, have come from their nonsympathizers.

For the great majority of those who have thus threatened, no one should have other than a kindly thought. It is evident that they have been misled, carried away, by the false notion that the alleged "bludgeon" was being used by the proponents and therefore should be offset. How little they have realized that they themselves were misled into being exclusively guilty. I received an apology from one who, unprompted, has taken a second thought and has been willing to believe the truth that the legislators here in Washington have been conscientiously endeavoring to arrive at a just conclusion uninfluenced by threats or attempted coercion from any source.

To those who have attempted to influence my vote against this adjusted compensation bill, not by argument but by threats of reprisal, let me suggest that ever present before me in my home there has stood for years, in a frame, those inspiring words of the immortal Lincoln:

> I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live up to what light I have.

Mr. Speaker, in the war Congress I voted for the declaration of war, and I voted for the selective service law that took these boys from their jobs, from their opportunities in life, and sent them to the battle front. You will recall, Mr. Speaker, the burden of responsibility felt by all in this House at that time.

There was no lack of understanding. We fully realized what it all meant.

We could foresee the great loss of American lives, and if life was spared, the sacrifices required of our young men who would return home disabled not only in health and limb but also in lost opportunities in life's struggle. We could foresee all this. And we could foresee the great burden of indebtedness under which this country must struggle for many years to come. It was no easy task. The thought of the boys who would be torn from their homes brought tears to the eyes of many of us as we voted for war. Those were days burdened with heavy responsibilities, from which there was no escape. I for one am glad to be in this Congress to vote for some measure of recognition and recompense to the disabled boys; to those disabled physically to a compensable degree under the Veterans' Bureau law something additional to what they are now receiving, and something to those disabled in lost positions and lost opportunities in life, and to the many disabled physically but unable to secure compensation through the Veterans' Bureau under the present law or under any law that ingenuity could possibly devise to describe the innumerable cases of weakened constitutions and lost energy.

One good neighbor wrote me in opposition to the proposed legislation. He wrote feelingly of the loss of my only son in the war. In his reference to adjusted compensation legislation, I take the liberty of quoting from his letter:

No one could give more than you gave to the war—your only son. And I am quite sure that if he was living to-day he would feel that money offered to him for the service he did could only place those services on the same plane and the same basis as other things that can be bought with money.

To this suggestion I could only reply that—

I appreciate deeply what you say in regard to my son. You are quite right. I am sure that if my son were living to-day he would not accept the bonus if offered. He would not need it. I am also quite sure that if he were here his lack of need for himself would not prevent him sympathizing with the many who have returned from the war in need and disabled through the loss of position and opportunity. That thought is one of the elements which I feel bound to consider in my efforts to reach a right conclusion.

Mr. Speaker, this reference to my personal bereavement took my mind back to 1917 and to a thought in my mind when in the spring of that year my son graduated at Yale in the class of 1917. I recall how rejoiced I then felt that my boy had finished his college course before the war came to take him away. It was then, Mr. Speaker, my thoughts first turned to the boys who had not been so fortunate, who had to be taken from college before graduation. Most of them, unless greatly blessed in this world's goods, would be too long away to make it possible ever to retrieve the lost ground. Those of the class of 1917 were fortunate. But how about those of the later classes in the colleges of the land, except the wealthy few who could afford to return to college, where time did not count so much in their lives? I speak of those not so well off. No hope for them.

And, Mr. Speaker, what about the young men who were then just starting in a business of their own with thrifty savings all invested in the venture? The selective service law for which we voted permitted no exemption because of loss of business. The business had to be sacrificed in each case when the young man was taken. His accumulation, with his life's ambition, was destroyed overnight to meet the exigencies of war.

And how about the boys taken from jobs that meant more than the then job? In the great corporations where many were employed the job meant a life's opportunity. How about them when they returned to find the places filled by those who had not gone to the war? Is there nothing to be said for these when it is proposed to readjust to some small extent the pittance of a compensation accorded to them under the exigencies of war by our votes when they were taken away?

Accorded to them by our votes! I recall, Mr. Speaker, the debate on the selective service law when the $1 per day was agreed upon. We named $1 per day, and then later $1.25 for overseas duty. We dared not name more because we did not know how long the war would last. If we had then named $2 per day and $2.50 per day for overseas duty, no voice would have been raised in protest, and it would have been little enough. No one would have called it "placing a dollar mark on patriotism." Patriotism impels the young man to do, but patriotism requires of us who could not go that some just consideration be accorded to those who suffered the sacrifice.

Let me quote from one of the speeches of that day—April 28, 1917—when we adopted what legislation termed the "selective service" law and the newspapers designated "conscription":

Back of it all I want to see this Government, great and rich and resourceful as it is, furnish the means to pay the men who go to the front to fight its battles for it at least as much money as men can earn at home who are left out of danger to continue in the vocations that will furnish them prosperity not only for the present but after the war is over, when the soldier boys are out of their jobs.

This sentiment met with applause, but the soldier boys were voted only $1 per day. Now we propose to readjust this compensation with $1 per day additional and $1.25 per day additional for overseas service. There is no element of gift, no element of gratuity, in performing this act of justice.

I for one can not understand how any Member of this House who then voted to conscript these boys, at $1 per day, under the exigencies of war, can now fail to readjust the compensation on the basis of $1 per day additional. These boys by their valor shortened the war. If the armistice had been delayed one month, the additional cost to our Government would have been far greater than the total involved in this readjusted compensation. Every other country associated with us in the war has since the close of the war granted additional compensation to the returned soldiers. Is this country of ours, the richest country of them all, to be the only country to refuse readjustment of a pitiable small pay to the soldiers who have sacrificed so much to gain the victory for our flag?

And what will be the total cost of this readjusted compensation? One New York paper, which I have read daily since my maturity and shall continue from habit to read notwithstanding its continued despicable misrepresentations, has repeatedly reiterated the falsehood that it would cost $5,000,000,000, intending to mislead its readers with the thought that on a cash basis paid now there could be no reduction of taxes. The fact is that the provisions of this bill bear no relation whatever to the administration tax-reduction plan. It has not interfered with the tax-reduction plans one dollar nor postponed them one day. In the place of a present cash payment the bill offers a 20-year paid-up endowment insurance policy. The total cost will amount to not more than $2,000,000,000. The utmost possible maximum will not be more than $2,025,889,696, a difference of $3,000,000,000 between truth and newspaper falsehood.

Mr. Speaker, the more I have studied the provisions of this bill the more willing I have been to give it my support. The substitution of paid-up insurance policies in lieu of cash will tend to encourage thrift and will provide immediate cash payment for the full amount of the policy to the loved ones in case of death. It presents a splendid solution of a difficult problem.

Mr. Speaker, the adjusted compensation has now become the law of the land. The tax reduction bill has now been enacted into law. The country will now know that we can have both. We have both. In the adjusted compensation bill recognition has been given to the valor and to the sacrifices of the defenders of the Republic without interference with the purpose to reduce taxes. The new revenue law reduces taxes more than $400,000,000. Before its enactment the assertion was made that a deficiency would be created. The Treasury Department now admits that there will be no deficiency. A table by the Actuary of the Treasury shows a surplus under the new tax reduction law for the fiscal year 1925 of $138,900,000, exclusive of taxes to be collected for previous years. The estimated surplus for the fiscal year 1925 is more than $400,000,000. Contemplate these figures, Mr. Speaker. The people relieved of tax burden more than $400,000,000, and also we will have a surplus in the fiscal year 1925 of $400,000,000, promising a still further reduction of taxes at an early date.

Through the cordial cooperation of the Republicans in Congress with the President in effectuating Government economies this result has been achieved. It only needs the reelection of our Republican President with a Republican Congress to give him support in order to carry on the good work to a triumphant conclusion. Those of us who loyally supported the administration plans for tax reduction have had an uphill fight in this Congress, where in both the Senate and in the House the administration Republicans were in a minority. We have not obtained all for which we fought, but we have a better tax reduction bill than would have been possible if the fight had not been made. Although in the one matter of adjusted compensation for the veterans of the war, the President accorded with the views of Secretary Mellon and not with the views of the large majority of the Republicans in Congress, it is absurd to pretend that we have not given the President a cordial and willing support. The President has no misgivings on this score. The public will soon come to learn the truth. They will not remain deceived, the

misleading, exaggerated statements in the press notwithstanding.

The President has no misgivings on this score. He does not share the views of that portion of the press which, while claiming to give him support, are preaching the strange doctrine that a President of this Republic should dictate the vote of the people's representatives on every measure that comes before Congress. Here is what President Coolidge has said about Congress:

The independence of the Congress must be preserved. It is not the fortune of legislatures to be popular; they do not catch the public fancy. Being human, they may err. But no legislature ever usurped the liberties of a country, and no country ever lost its liberties until its legislative representatives had been stripped of their independence and their power. The sole defender of the liberties of the nation by the only effective means for their preservation, an independent Congress, now left to the American people is the Republican Party.

Mr. Speaker, the opposition to the adjusted compensation bill will never cease to be beyond my comprehension. It has been said that republics are ungrateful. I do not believe it. We by our votes in favor of some recognition to our brave soldiers have been unwilling to admit it. Why, Mr. Speaker, have the valiant soldiers been singled out as the sole object of attack? When the civil employees of the Government were given $240 bonus per annum to meet the increasing cost of living, no protest was made. This bonus was granted in 1918 to all civil employees receiving basic salaries up to $2,500 per annum. The increased cost of living justified the increase. The need for the increase was universally recognized for the civilian employees who had dependents to support. But the boys at the front also had dependents at home suffering from the increasing cost of living. Why the discrimination? The sacrifices were great. The sufferings were terrible. Why give a bonus to a civilian employee receiving $2,500 per annum and deny it to the soldier who far away from his dependents faces death for the Republic at $365 per annum? Will any of the opponents of the adjusted compensation bill answer this question? Treasury figures disclose that $300,000,000 have already been expended to meet this readjusted compensation for the civilian employees and their additional compensation under new legislation is to continue permanently, merged in their basic salaries. The soldier boys received only $30 per month. From this $30 was deducted $15 for compulsory family allowance. A further deduction was made to pay Government insurance premiums. From the balance of the paltry sum these soldiers were urged to purchase Liberty bonds. They did so willingly in large numbers, and living necessities compelled them later to sell their bonds far below the par they paid to the Government from their meager wages. Business corporations are required by law to pay the insurance premiums to insure their employees in hazardous employments. Fighting at the battle front is the most hazardous of all employments, and yet this great, prosperous Government compelled our soldier boys to pay for their own insurance, and those who are keeping up their insurance premiums are now furnishing the money to support the dependents of those who lost their lives in the war. They, with their premiums, and not the Government, are in great measure paying to the widows and orphans of our dead the insurance that has been substituted for pensions. It is incredible that any American citizen should be opposed to some measure of readjustment for these boys.

The Government did not tell these boys when they were called to the colors that their pay of $30 per month would be taken away from them to do the work that the Government should do—care for the dependents of dead soldiers. Deduct compulsory allotment, insurance premiums, fines for every infraction of regulations and loss of equipment, and subscription to Liberty bonds—how much was left? Where was money to come from to meet the increasing cost of living for the dependents at home?

Mr. Speaker, the intolerant attack in the press against these valiant soldiers has been disgraceful, selfishly disgraceful, beyond measure. In 1917 these boys were called "flower of our youth"; in 1918, "our brave soldier boys"; in 1919, "our heroes"; in 1920, "the returned soldiers"; in 1921, "ex-service men"; and now we hear them called by a mercenary press "Treasury raiders." To some of us, Mr. Speaker, they still are and shall ever remain the brave soldier boys who suffered much and sacrificed much, and whose dependents suffered much, for the country we love.

The Republican platform of 1920, upon which President Harding was elected and President Coolidge was elected Vice President, pledged to the people that we would discharge to the fullest the obligation of a grateful Nation to these veterans of the war. Not only must republics not be ungrateful. The platform announced that "Republicans are not ungrateful. Throughout their history they have shown their gratitude toward the Nation's defenders." Two paragraphs of the platform made pledges for the physically disabled and another paragraph pledged ourselves to discharge the obligations of the Nation in appreciation of its defenders' services. I quote this paragraph as follows:

We hold in imperishable remembrance the valor and the patriotism of the soldiers and sailors of America who fought in the Great War for human liberty, and we pledge ourselves to discharge to the fullest the obligations which a grateful Nation justly should fulfill in appreciation of the services rendered by its defenders on sea and on land.

Mr. Speaker, there was no mistake in President Harding's recognition and interpretation of this pledge. During the campaign in his speeches he advocated adjusted compensation for the soldiers. Misled by the statement from the Treasury Department to the effect that we were confronting a large deficiency, he suggested that Congress provide some new taxation to meet the payments. In his veto of the adjusted compensation bill which passed the last Congress without imposing new taxes, he said:

The latest Budget figures for the current fiscal year show an estimated deficit of more than $650,000,000 and a further deficit for the year succeeding.

We now know the extent the President was misled by the Treasury estimates. Instead of a deficit of $650,000,000 we have a surplus of $400,000,000 after payment of $200,000,000 in reduction of public debt. In other words, the Treasury Department when giving out figures to prejudice the adjusted compensation bill erred to the extent of the modest sum of $1,250,000,000. And, Mr. Speaker, we have sufficient to meet all adjusted compensation payments for several years from the balance of this year's surplus alone, after remitting to the taxpayers 25 per cent of this year's taxes in accordance with the suggestion first proposed by the Ways and Means Committee of the House.

Mr. Speaker, my convictions on the subject of adjusted compensation were given birth during the war when my vote helped to send the boys to the front and when I came to know from contact with many distressing cases the irreparable injury suffered by them and by their dependents at home. I believe that with few exceptions those who have written me in opposition would themselves be possessed by convictions as deep as mine had they had the same opportunity to be in touch with these distressing cases. The problem has been solved in favor of the soldiers, and I shall always feel that it was a privilege to be a Member of this House to lend my voice and vote in grateful recognition of the heroes of the Republic.

CALL OF THE HOUSE

Mr. JAMES. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Michigan makes the point of order that there is no quorum present. Evidently there is not a quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Abernethy	Corning	Hoch	Mead
Anderson	Croll	Howard, Okla.	Michaelson
Anthony	Cummings	Hull, Tenn.	Miller, Ill.
Bacharach	Curry	Johnson, Tex.	Mills
Bankhead	Davey	Kahn	Mooney
Beck	Dickstein	Kelly	Moore, Ill.
Bell	Dominick	Kiess	Morin
Berger	Doyle	Kindred	Morris
Black, Tex.	Drane	Knutson	Mudd
Black, N. Y.	Drewry	Kurtz	Murphy
Bloom	Eagan	Kvale	Nelson, Wis.
Bowling	Edmonds	Langley	Nolan
Boylan	Fairfield	Larson, Minn.	O'Brien
Britten	Favrot	Lilly	O'Connell, N. Y.
Browne, N. J.	Fish	Lindsay	O'Connor, La.
Browne, Wis.	Freeman	Lineberger	Park, Ga.
Burton	Funk	Linthicum	Peavey
Cable	Gallivan	Little	Perlman
Campbell	Geran	Logan	Phillips
Carew	Glatfelter	Luce	Quayle
Casey	Goldsborough	McClintic	Ransley
Celler	Greene, Mass.	McFadden	Reed, W. Va.
Clague	Griffin	McKenzie	Reid, Ill.
Clark, Fla.	Hammer	McLaughlin, Nebr.	Robinson, Iowa
Cole, Ohio	Hardy	McNulty	Rogers, N. H.
Connolly, Pa.	Harrison	Magee, Pa.	Romjue

Rosenbloom	Stengle	Tydings	Weller
Schneider	Strong, Pa.	Upshaw	Welsh
Scott	Sullivan	Vaile	Wertz
Sears, Nebr.	Sweet	Vare	Winter
Sears, Fla.	Tague	Vestal	Wood
Sites	Taylor, Colo.	Voigt	Wurzbach
Snyder	Taylor, Tenn.	Ward, N. C.	Wyant
Sproul, Ill.	Tinkham	Ward, N. Y.	Zihlman
Sproul, Kans.	Treadway	Wason	
Stalker	Tucker	Wefald	

The SPEAKER. Two hundred and ninety Members have answered to their names, a quorum.

Mr. SNELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were reopened.

ORDER OF BUSINESS

The SPEAKER. By special order of the House the gentleman from Michigan [Mr. MAPES] is entitled to address the House for 20 minutes. [Applause.]

Mr. BARKLEY. Mr. Speaker, the gentleman from Michigan has yielded in order that I may propound a request. I request that at the conclusion of the speech of the gentleman from Michigan I may be permitted to address the House for 30 minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that he may address the House for 30 minutes. Is there objection?

Mr. MADDEN. Mr. Speaker, I reserve the right to object. We have an appropriation bill on the floor of the House which has been here for four or five days and it has been kicked about from one place to another and nobody knows when we are going to get to the consideration of it. It ought to be passed, and I do not believe we ought to let everybody in under these unanimous-consent requests.

Mr. LONGWORTH. Mr. Speaker, reserving the right to object, I have no objection to the gentleman from Kentucky having some time, and believe he should have it, but in view of the fact that the gentleman has had something more than an hour and the gentleman from Michigan is having 20 minutes, would the gentleman from Kentucky object to modifying his request and asking for 20 minutes?

Mr. BARKLEY. Ten minutes does not look like much difference, but here is the situation: In my hour I spoke generally on the subject of the history of legislation of the kind we are discussing, and I did not devote more than 10 minutes to the bill which is to come up Monday. A number of speeches have been made during my unavoidable absence this week, and I think I ought to have at least 30 minutes.

Mr. MADDEN. The gentleman from Kentucky had one hour on this bill.

Mr. BARKLEY. No; not on this bill. I had an hour on the general subject, but I did not devote more than 10 minutes to the specific purposes of this bill, and in view of that I would like to have 30 minutes.

Mr. MADDEN. It does not seem to me we ought to be forever shunted from the consideration of appropriation bills.

Mr. BARKLEY. But let me call the gentleman's attention to the fact that we are nearly through with appropriation bills.

Mr. MADDEN. I shall not object to this request, but if anyone else makes a request for further time, I shall object.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, I just want to call attention to the fact that this is Saturday and the Appropriations Committee must not expect to work us into the night on the District bill in consequence of the time that is now being taken with these speeches. The gentleman from Kentucky has already had more than an hour, but I am not going to object to his request.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none.

SENATE RESOLUTION

Mr. MADDEN. Mr. Speaker, before the gentleman from Michigan begins, I would like to make a unanimous-consent request. A resolution has just come from the Senate asking $100,000 for the contingent fund of the Senate in order to pay expenses over there. I would like to ask unanimous consent that the House agree to the Senate resolution.

Mr. BLANTON. Mr. Speaker, I object.

BARKLEY RAILROAD LABOR BILL

Mr. MAPES. Mr. Speaker, the first thing Monday morning the Members of the House will be required to vote upon the motion to discharge the Committee on Interstate and Foreign Commerce from consideration of the so-called Barkley railroad labor bill (H. R. 7358) before holding hearings upon it or giving it any consideration. I do not intend to discuss the merits of the legislation at this time, but shall confine myself to the question of procedure.

As a member of the Committee on Interstate and Foreign Commerce I wrote two of my constituents under date of March 26, 1924, that I should be glad to see the Barkley bill—

considered by the committee at the earliest practicable moment, giving due regard to the general legislative situation and the rights of other legislation pending before the committee.

For my part I intended then, and I intend now, to make good that statement, and if the bill is not taken from the committee to vote for hearings upon it and other bills proposing amendments to certain other sections of the transportation act at the earliest practicable moment after the committee completes consideration of the truth in fabric and misbranding bills upon which it is now working.

No fair or reasonable opportunity has been given the committee to consider the Barkley bill. The committee has been busily working practically every day since the bill was introduced. It has never refused to consider the bill. It did decline on a close vote to put it ahead of the truth in fabric and misbranding bills, which were introduced early in the session, and are urged by farm organizations and others. Certain members of the committee felt that they had committed themselves to vote for hearings on those bills before the Barkley bill was ever heard of.

I am one of those who believe that the transportation act of 1920, including Title III, the railroad labor provisions, should be amended. It was humanly impossible to write a law as comprehensive as it is and make it perfect. Time and experience were bound to bring out imperfections in it and to show the necessity for its amendment. But that is not the question raised by the motion to discharge the committee. The question now is whether amendments to the law are to be considered and made by Congress—in fact, as well as nominally—or are they to be dictated by the representatives of a particular group and forced through Congress without the crossing of a "t" or the dotting of an "i" and without giving its Members time to understand what they are voting upon. Is Congress going to abdicate its function as a deliberative legislative body?

One of the principal criticisms of the present law has been that no adequate consideration was given to the labor provisions in it. This in spite of the fact that the committees in Congress worked upon it intensively for upward of a year, if not more, as was fully stated by the gentleman from Massachusetts [Mr. WINSLOW] yesterday. The House committee alone held hearings on the legislation almost daily from June 15 to October 4, 1919, and the bill was pending before the committee and before Congress from that time on until it was finally approved February 28, 1920. During all that time one of the principal topics considered and discussed in connection with it by the Congress and by the public as well was the proposals for the settlement of labor questions and disputes.

Listen to the testimony on this point of the president of the Brotherhood of Locomotive Firemen and Enginemen, Mr. Robertson, before the Senate committee on the Senate bill similar to the Barkley bill (p. 2 of the hearings):

The failure of the transportation act, Title III—

He said—

is summarized as follows:

1. Its enactment was the result of hasty compromise.

It is evident that the representatives of the brotherhoods, while they may subject themselves to the charge of being "hasty" in this proceeding, do not intend to have it said of them that they were guilty of accepting any "compromise."

Mr. Robertson at the same hearing quotes with approval this statement, among others, of the Secretary of Commerce, Mr. Hoover, who, speaking of the Railroad Labor Board, said (p. 8, Senate hearings):

Whatever change is made in the machinery to solve these relationships the changes should if possible be constructively developed by the railway employees and executives themselves, plus, perhaps the assistance of independent persons who represent the public interest.

At another point in the hearings—page 9—Mr. Robertson testified:

Mr. Henry Bruère, vice president Metropolitan Life Insurance Co., for years in charge of industrial, etc., investigations, and research; Federal director United States Employment Service for New York State;

director National Railways of Mexico, etc., at national transportation conference, Washington, D. C., January, 1924, as reported in 76 Railway Age, 237 (240):

"Henry Bruère * * * proposed that the railroad managers and their employees hold a conference to establish some plan of cooperation."

Mr. Robertson told the Senate committee, to use his own words, that—

before presenting their ideas to Members of Congress the railway labor organizations "labored" for 18 months in committees and conferences to develop their program. During the last nine months—

He continued—

they consulted with their attorneys.

He further stated that the bill as finally presented was redrafted by the representatives of these organizations "no less than six times" before it was satisfactory to them and that it not only repeals Title III of the transportation act but "establishes a new and independent machinery." (Page 15, Senate hearings.)

The counsel for the organized railway employees, Mr. Donald R. Richberg, in his statement (p. 21, Senate hearings) said:

It should not be claimed that the bill is perfect. * * * Under congressional consideration it may well be improved—

But, as he modestly stated it—

we desire to express the hope that it may not be substantially altered.

And yet the representatives of these organizations, without consulting any except their own interests, after having worked in secret with the aid of experts for 18 months before they got a bill satisfactory to themselves, presented it to Congress on the 28th day of February and immediately demanded that the committee stop the consideration of all other legislation pending before it and pass their bill at once before Congress or the country had a chance even to study it to find out what it contained.

It can not be said that there has been any public demand to take the bill from the committee because the public has not had time to study it and become familiar with its provisions. When a bill is taken away from a legislative committee it ought to be done in the public interest and not at the behest of the private and selfish interests of any particular class. [Applause.]

After years of observation and study Vice President Marshall announced this as a part of his creed:

I believe—

He said—

that every inequality which exists in the social and economic condition of the American people is traceable to the successful demands of interested classes for class legislation, and I believe, therefore, that practical equality can be obtained under our form of government by remedial legislation in the interest of the American people and not in the interest of any body thereof, large or small.

As far as we are permitted to know, no agency of the Government anywhere has recommended or approved the Barkley bill. No one having the responsibility which comes with public office had anything to do with the preparation of it, not even the gentleman from Kentucky [Mr. BARKLEY] who introduced it, according to his own statement.

The situation which confronts the House is the result of no accident. It has been deliberately planned. No one who heard the speech of the gentleman from Alabama Mr. [HUDDLESTON] yesterday will question the truth of that statement. The proponents of this legislation are familiar with legislative procedure. They know that ordinarily legislation of this importance must be introduced at the very beginning of a session of Congress in order to stand any chance of being considered and passed before adjournment. In spite of this and in spite of the fact that they had been working upon it for 18 months they waited for three months after Congress convened before bringing it to light.

I am not a mind reader, but judging from the procedure adopted in its preparation, the time of its introduction in Congress, and from the statements that have been made by the proponents of the legislation since it was introduced, one is forced to the conclusion that they never intended, if they could help it, to let Congress or the country have time to study it.

The more they reveal their plans and purposes the more it looks as though they intended from the beginning to pretend that the committee would not give them a hearing, and now they hasten to take the bill away from the committee before it has a reasonable opportunity to do so for fear it will.

The whole proceeding smacks of politics. Eliminate the politics, partisanship, and selfishness from it and there would be very little left. It is known that the national representatives of the brotherhoods are personally and politically opposed to the present Republican administration, and it has been suggested that their hope is by this maneuver to get the members of these great brotherhoods throughout the country to follow them in the coming election and vote against the Republican ticket. Incidentally, the same observation might be made about the lobbyists for certain other organizations that infest Washington. In fact, it has got almost to the point where an independent Member of Congress, even though he may agree with their views on a particular subject, resents their presence and propaganda and their apparent assumption that he can not do his duty or form a conclusion upon questions of legislation without their assistance. [Applause.]

Lobbyists may have their proper function; Congress certainly has its, and it is not the proper function of Congress to abdicate its legislative duty to lobbyists of any kind or nature.

The railway brotherhoods are strongly organized. It is said that their organization is the most compact and effective one extant in this country to-day. No sooner had the motion of the gentleman from Kentucky [Mr. BARKLEY] to take their bill away from the committee been filed than their representatives went through the House Office Building in companies of two urging the Members of this body to walk up to the Clerk's desk and sign the motion to discharge the committee on the dotted line and afterwards to vote for it. It is said that they have been assured that a majority of the Members will do their bidding and that they are confident of success. If so, there is no need of anyone being deceived over the situation. I do not complain, but I refuse to be a party to any such procedure and I think every one ought to know what it is.

Their bill may be the best piece of proposed legislation ever drafted by the pen of man, but the Members of Congress have not been given an opportunity to form any intelligent judgment of their own as to whether it is or not. The bill is one of the most important that could be introduced in any Congress. If enacted into law, it will affect not only the employees of the railroads directly involved, numbering something over two millions, and the railroads, but indirectly the welfare of all the American people and their industries. Without extensive hearings no Member of Congress can form any intelligent judgment on what its practical effect will be if enacted into law. It takes no lesson from existing law. It does not attempt to perfect that but repeals it altogether and goes much further. In the language of the representative of the brotherhoods it "establishes a new and independent machinery" after hearing only one side of the case. It may well be that some time in the future interests adverse to those who drafted this bill will come along and want to tear it up by its roots and establish a system of their choosing. Is this the way to make progress? Is this the conception that the representatives of the brotherhoods have of the recommendation of Secretary Hoover that amendments to the railroad labor provisions of the transportation act should be—

constructively developed by the railway employees and executives themselves, plus, perhaps, the assistance of independent persons who represent the public interest?

The language of the bill embraces within its scope not only the carriers now embraced in the transportation act but it includes—

interurban and suburban electric railways operating as independent units—

As well as—

as a part of the general railroad system of transportation. * * * and any receiver or any other individual or body, judicial or otherwise, when in the possession of the business of employers or carriers—

And the term "employees" is made to cover—

all persons in the employ of bureaus, associations, committees, and institutions of whatsoever kind or character maintained or supported by or existing in furtherance of the interest of carriers.

The language evidently includes suburban and interurban electric railways whether engaged in interstate commerce or not, even though they operate entirely within the territorial limits of a single State. Since when has Congress jurisdiction over carriers engaged solely in intrastate commerce?

What does the language "any receiver or any other individual or body, judicial or otherwise," mean? Does it mean that the courts are to be stripped of the power which they now

have? Is Congress going to pass upon such legislation without knowing what it is?

The gentleman from Alabama [Mr. HUDDLESTON] said on this floor yesterday:

The issue is plain.

I agree. The issue is not whether the legislation is meritorious or not but whether Congress is going to be given sufficient length of time to study it to ascertain for itself whether it is or not. In fact, the issue is whether Congress is going to abdicate its function as a legislative body in favor of the lobbyists for the railway brotherhoods and allied organizations whenever their interests are involved under the threat of political destruction. [Applause.]

Mr. BLANTON. Would the gentleman mind yielding?

Mr. MAPES. I prefer not to yield. I have only two or three minutes remaining, and I am sorry I can not yield.

They made the issue. We did not. It is of their choosing, not ours. They threw out the challenge. Are we to run away from it?

It will not hurt the committee to take the bill away from it. In fact, it will relieve it of a great responsibility and much hard work. It will hurt the cause of labor. It will be a bigger setback to labor than it has received in a generation. No fair-minded friend of labor will approve of the strong-arm method of forcing it through Congress without giving adequate time for its consideration. The rank and file of the membership of the railway brotherhoods themselves, being self-reliant, independent, and self-respecting men, as they are, must look with contempt upon the membership of this body if it surrenders its right to exercise its own judgment in this crisis. Every free American despises a truckler, even though at times he may make use of him to further his own selfish interests. [Applause.]

Mr. BARKLEY. Mr. Speaker, I have been unavoidably out of the city almost continuously since I addressed the House on the 15th of April with reference to this measure, and by reason of that unavoidable absence I have been unable to hear any of the addresses which have been delivered by those participating in the Hindenburg drive which was instituted about a week ago against the motion which I have made to discharge the committee and against the bill as a whole.

I shall not undertake in the 30 minutes which have been allotted to me, because I do not wish to ask for any more time, to go into any great detail about a description of this bill or the action of the committee in declining to consider it.

It has been attacked by the gentleman from Indiana [Mr. SANDERS] and by the gentleman from Illinois [Mr. DENISON], who in his attack undertook to ride both ways by saying that he approved of the main features of the bill but doubted whether it ought to be considered.

The gentleman from Kansas [Mr. TINCHER] and the gentleman from Massachusetts [Mr. WINSLOW] dragged their frail forms over the bill and over me in an effort not only to flatten it out physically but politically and legislatively as well, and I was somewhat astonished at what I saw in the remarks of the gentleman from Kansas [Mr. TINCHER], which plainly evidenced the fact that he knew very little about the bill or unintentionally misinterpreted it.

The effort has been made here—the gentleman who has just spoken talked about propaganda, about members of labor organizations walking up and down the corridors of the House Office Building to intimidate Members of this House. Why, Mr. Speaker and gentlemen, the greatest propaganda that has ever been instituted by anybody with reference to this measure has been by those who have sought deliberately to misrepresent its provisions and to intimidate Members of Congress against voting for it or for the motion to take it away from the committee.

Telegrams have been pouring in here for weeks, and they are being delivered on the floor of this House at this very moment from organizations either of short-line railroads or independent organizations of employees who have been induced by the railroad companies, that financed their organizations, to bombard Congress into the belief that this bill is unjust to them, because they say it gives them no protection in its operation. I want to clear up a little misapprehension with reference to that.

During the strike of 1922 certain men took the positions of those who had ceased to be employees of the railroads. I am not going to discuss the merits of that controversy, but the strike of 1922 was brought about because the men who were involved in it were unable in anyway to compel the railroads, who deliberately disobeyed the decisions of the present Railroad Labor Board, to obey them, and if the men themselves disobeyed them the only remedy they had was either to get fired or voluntarily to quit, while the railroads that saw fit to disobey could go unpunished, and there was no economic or legal power that could compel them to obey the decisions of the present Railroad Labor Board; and, as I pointed out the other day, they have violated its decisions in 148 cases, and yet there has been no violation on the part of the employees except by their voluntarily retiring from their employment or subjecting themselves to compulsory discharge on the part of the railroads themselves.

The strike of 1922 grew out of this situation. Men were gathered from the four corners of the country to take the places of those who had ceased to work, and after they had gotten in, many of the railroads organized these temporary employees who had taken the places of their regular employees who had quit work, because they found, as they thought, no remedy under the present law—they organized them into company unions. They financed their organizations and they are directing the propaganda that is coming in here to-day on the part of these independent organizations against this measure on the ground it gives them no protection.

If a controversy should arise between the independent employees or the unorganized employees of any railroad in the United States and the railroad, this machinery will be as available to them as the present machinery is, and will be more efficient and more economical and more just. These organizations have no representation on the present Railroad Labor Board. They have no power even to submit names to the President from whom he may select the three members to represent the employees on the present Railroad Labor Board.

Propaganda has been scattered here on the part of certain railroads and other interests that represent an unfriendly attitude to labor that if this bill is passed, it proposes to bring about what is known as the "closed shop" on the railroads of the United States. There is not a line—no member who has charged that interpretation has pointed to a single line or syllable in this bill that provides for that or even permits or looks toward the creation of what we know as a "closed shop" on the railroads of this country.

There is no such thing as a "closed shop" on the railroads of the United States. There never has been and in all probability there never will be because the conditions of labor that exist upon the transportation systems are entirely different from those which exist and obtain in the various manufacturing centers of the United States; and I am here to say to the credit of the organized part of railroad labor that there never has yet been a controversy that has arisen between the employees and the transportation companies, although the unorganized have no direct representation, where the interests of the unorganized classes were not cared for and sustained by the organized representatives of labor just as much as if they had been organized and had direct representation upon the boards that have settled these various disputes.

I want to speak now for just a few moments about the discharge of this committee.

Mr. STEVENSON. Before the gentleman leaves that point I want to say that we have heard a good many complaints from the short-line railroads that the law compels them to pay the same rates as the through lines and they will not be allowed to work out anything except that specifically adopted by the other roads.

Mr. BARKLEY. That is another form of propaganda that has been organized by many of the trunk lines. This bill does not in any particular affect the short-line railroads; it does not affect them any way different from the way they are now affected under the labor sections in the transportation act. They can go on and settle their labor questions on their own account, and they do settle them; they can employ such labor as they see fit under whatever terms they agree on. Of course, there are some short lines under the act regulating commerce under the interpretation of the law and the decisions of the Interstate Commerce Commission—under the law that deals with the railroads under the interstate commerce act they must deal with them all alike; they can not make exceptions. As a matter of fact the short lines have undertaken to misinterpret the law by saying that it is going to put them out of business. The gentleman from Kansas [Mr. TINCHER] said it would put the short lines out of business. It will not affect them at all except favorably, because if they can not settle their own disputes by conference the bill sets up machinery which will be available to them if they choose to use it.

Mr. KING. Will the gentleman yield for a short question?

Mr. BARKLEY. I will.

Mr. KING. Would the gentleman be willing, if the committee would begin hearings on the bill at once, to permit this bill to go back to the committee for that purpose?

Mr. BARKLEY. I do not think that would be effective, because this committee would do just what it is doing with the truth in fabric bill—prolong the hearings until the Congress is about to adjourn, and then it will be too late.

Mr. KING. But if they give reasonable assurance that this will not be the case.

Mr. BARKLEY. I have not had any reasonable assurance. If this bill should be sent back to the committee under any kind of instruction, it is dead. Gentlemen have stated that the public is not represented with reference to the boards provided by this act. I wish I had time to compare this bill with the present law. Both enjoin on the roads the settlement of their own disputes without resort to tribunals. Both provide for the appointment of adjustment boards. The difference is that the present law leaves it voluntary, while the bill makes it compulsory, and the reason is that many roads have refused to enter into an agreement with the employees to submit to expert technicians the question and let them iron out the grievances and disputes that arise during the operation of the roads.

They do not deal with wages or increase in compensation of employees. They do not deal with changes in the fundamental working conditions about which the public knows nothing and about which the public is not concerned. It is the settlement of disputes that arise in the interpretation of rules and working conditions which engages the attention of these adjustment boards.

When it comes to the settlement of wage conditions, they are dealt with by the board of five, which is drawn from the public, and the bill provides that there shall be no one on the board who is employed on or interested in the road. If anybody appointed on it should become financially interested in any railroad or becomes a member of any organization of employees, he automatically is disqualified as a representative on the board. So that the board that deals with the wage and working conditions is drawn entirely from the public.

Now let me get down to the committee. It has been stated here by one or two gentlemen that I have not as a member of the committee made diligent effort to secure consideration of the bill. It was stated yesterday by the gentleman from Illinois [Mr. DENISON] and a moment ago by the gentleman from Michigan [Mr. MAPES] that this is a political move, that politics had been interjected into this question. I ask either of the gentlemen to stand on his feet on the floor and say who first injected politics into this proposition. I have been a member of the Interstate Commerce Committee for 11 years, and it is the only committee I have been on since I have been a Member of this House.

Mr. MAPES. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. MAPES. My recollection is that the gentleman in discussing this bill referred to politics and partisanship for the first time since I have been a member of the committee.

Mr. BARKLEY. I will come to that. I have been a member of the committee for 11 years and have never been on any other committee. I never uttered a political syllable in the discussion of a bill that came out of the Interstate Commerce Committee since I was a Member of the House, and I challenge any man on the committee to say to the contrary. On the contrary, I have repeatedly over the objections of some of my colleagues on the Democratic side, and almost alone, fought for bills under previous Chairman Esch and under the present chairman, the gentleman from Massachusetts [Mr. WINSLOW].

Mr. MAPES. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. MAPES. The gentleman referred to the discussion on the floor——

Mr. BARKLEY. I am coming to that. If the gentleman will wait, I will say what happened.

In January, before I had ever introduced this bill, I undertook to find out what was the program of the Committee on Interstate and Foreign Commerce. Many gentlemen here had introduced bills, and I was one of them, seeking to repeal or eliminate the surcharge upon Pullman cars, charged by the railroads of the country. The gentleman from Illinois [Mr. GRAHAM] had introduced a bill to repeal and modify section 15a of the transportation act. There were some 15 or 20 bills introduced at the very beginning of the session of Congress pertaining to the transportation act. Some time in January I undertook to secure from the chairman of the committee some statement as to the policy of the committee with reference to legislation, and the reply was that the President was working on something and he could not find out just what it was, and he wanted to wait until the President had formulated his program. Weeks went on, probably six weeks, and nothing was said. The subject was never brought up again by the chairman until I again brought it up in the committee and asked that the committee hold an executive session to form its own program, because up until that time nothing had been brought in by the committee for consideration except what might be called chicken-feed legislation, with all of the important bills that were at that time pending before that committee. The thing was maneuvered around like a first baseman maneuvers to keep the runner from touching the sack, until weeks went by, and then I undertook again to bring it up in the committee. Finally we obtained an executive session of the committee after the delays and the maneuvers and the procrastinations on insignificant bills, some of them taking a week when a day was enough. Finally we got into executive session to formulate a program. The gentleman from Ohio [Mr. COOPER] had introduced a bill increasing the number of boiler inspectors. The gentleman from Kansas [Mr. HOCH] had introduced a bill providing for a general survey of railroad rates, and it was upon my motion that the Cooper bill was taken up.

I first moved that the Cooper bill be taken up first, that the Hoch bill be taken up second, and that my railroad labor bill be made the third bill on the program of the committee. The committee adopted the motion and took up the Cooper bill, and that was entirely agreeable. It adopted the motion to take up the Hoch bill, which was entirely agreeable; but when it came to the consideration of this labor proposition it was voted down, and immediately a motion was made to take up as the third proposition the truth in fabrics bill, and they began hearings on that bill on the 15th or 16th of April and they are still holding hearings, and, in my judgment, unless they make more progress in the future than they have in the past, when the Speaker raps the gavel for the last time to adjourn this session of Congress without day those hearings on the truth in fabrics bill will still be in progress, and if those who want that bill brought up before this House for consideration desire to get it here, they will have to get it, in my judgment, in the same manner in which I am trying to get the railroad labor bill before this House for consideration. [Applause.]

Mr. WINSLOW. Mr. Speaker, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. WINSLOW. I would like to know who told the gentleman what is going on in the committee.

Mr. BARKLEY. I am judging the future by the past. I have been unwilling to waste my time listening to witnesses who testified two years ago for nearly four weeks on this very same proposition, and by reason of the fact that I did not want to waste the committee's time I have not been present very much, if that is what the gentleman has reference to. [Applause.]

The gentleman from Michigan [Mr. MAPES] asked me a question. During these efforts on my part not only to have my bill considered but anybody's bill that affected the transportation act I did say something which possibly the gentleman from Michigan had in mind.

We have been commanded to wait and not to touch this sacred ox, the transportation act. Propaganda has come in here from all kinds of organizations, including commercial bodies, boards of trades from towns that do not even have a mayor or a policeman. We are told that we must not touch the transportation act, that we must let the railroads alone. This bill does not deal with the general provisions of the transportation act. It deals with Title III, and Title III might be cut out by the heart and it would not affect any other provisions of the transportation act. During the deliberations of the committee one day, perhaps in some disgust and with a little bit of resentment, because I had introduced this bill in good faith and not as a political measure—it was introduced in the Senate by a Republican and in the House by a Democrat in order that it might not be considered a partisan measure—during the efforts that I was making to get consideration of the bill, I did say that it might be unfortunate for the bill itself to have been introduced in the House by a Democrat and not by a Republican. I did say that, and that is all I said, and I said it after it had been made manifest that the bill would not be taken up by the committee. I have not taken a partisan view of the Committee on Interstate and Foreign Commerce, and I do not want to do it now. Nothing pains me more than to be compelled to make this motion, because I have served on the committee for nine years with the genial chairman of the committee, and Mr. RAYBURN and I are the oldest members

of that committee by reason of service. I have the greatest respect and admiration and affection for the members of that committee with whom I have associated during the last 10 or 11 years, but there comes a time in legislative history sometimes when a man must forget all about his friendships in order that justice may be done and that measures may be considered that are entitled to consideration.

This motion to discharge the committee the members of the committee seem to take as a reflection upon their integrity. I assume that this rule was adopted for some purpose. The gentleman from Massachusetts [Mr. WINSLOW] referred yesterday to the fact that I opposed the adoption of the rule in the beginning providing for 100 men to sign a petition to make a motion for discharging the committee. I did oppose that and I stand by everything that I said at that time. I voted for the motion as it was amended, however, to provide for 150, and if I had known then that I would have to deal with such an obstinate, recalcitrant, and incorrigible committee as the one which dealt with this bill I would have voted for 100 instead of 150. [Applause.]

Gentlemen, on next Monday this motion will be voted on, and I tell you that if you want this bill to be considered the only way to get it is to vote for that motion. It will do no good to refer it back to the committee where it has been. Congress is about to adjourn. Everybody is trying to get away from here by June. You know that unless this bill is taken up under this discharge rule there will be no chance to secure consideration of it during the present session. The next session of Congress is the short session in December. It can not consider anything except appropriation bills. The next Congress will not meet in all probability until December of next year, so that unless this bill is taken from this committee and given such consideration as the House may see fit to give it under the rules of the House, there will be no chance for at least two years to consider a bill of this character, dealing, as it does, with great interests from one end of the Nation to the other.

Some gentleman has said that there was no emergency that demands this legislation. Why, there was a strike to which I referred in 1922 on which the Department of Justice alone spent more than $2,000,000 in efforts to coerce a settlement of that strike, and the inefficiency, loss of time, and depreciation of railroad property cost the railroads of this country and the public together more than $100,000,000. The time to legislate and settle labor disputes is not when there is a strike, not when the emergency is at hand, not when the cloud rises and is about to precipitate a catastrophe, but the time to legislate in reference to disputes is when there is no emergency, when we may approach the subject calmly and with a desire to do justice to all sides and create the machinery that may be resorted to by both sides when the emergency does arise with some confidence that its adjustment may be respected, and that it may be respected not through fear but through a desire to obey the law [applause] and a desire to bring peace not only in industry but in the transportation systems of the United States.

Mr. GILBERT. Will the gentleman yield there?

Mr. BARKLEY. I will.

Mr. GILBERT. The impression was left on me by speakers opposing the rule that this was a step backward in that it eliminated public consideration. Do I understand the gentleman to say that under the theory in this bill in all matters affecting the public the public has more interest, in fact determines that matter exclusively?

Mr. BARKLEY. It has exclusive representation on the board. Neither side can be directly represented on the Board of Mediation and Conciliation. Mr. Speaker, how much more time have I?

The SPEAKER. The gentleman has five minutes remaining.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. BARKLEY. I will yield to the gentleman from Indiana.

Mr. SANDERS of Indiana. Is there any board or tribunal created by the gentleman's proposed measure which has the power to investigate any disputes as to increase of wages unless the parties agree beforehand they shall do so?

Mr. BARKLEY. Well, yes and no. The provisions of the original Erdman Act and the provisions of the Newlands Act, under which hundreds of disputes were settled and under which there was no nation-wide strike at any time subsequent to the enactment of either of those laws, were somewhat similar to the provisions in the bill now before the House in reference to the settlement of wage disputes. There is no compulsion upon either party to submit that dispute to the Board of Mediation and Conciliation and there can not be any compulsion upon either party under the law unless you are going to take the whole step and prevent strikes by criminal prosecution and that has never been attempted successfully. Australia attempted such a law and it is a dead letter. Canada attempted it, and although under that law there have been hundreds of violations, there have been only 11 prosecutions, and that law is a dead letter in Canada. France undertook it, and the only way she could enforce a rigid compulsory provision of an antistrike law was if there was a strike to call the employees into the army and make them work as soldiers. But we can not do that and we ought not to attempt that in the United States of America. [Applause.]

Mr. SANDERS of Indiana. I am not talking about antistrike legislation, but I am asking the gentleman if there is any tribunal under the proposed law which has the power to investigate and give to the public—independently of any agreement between parties—to give to the public their decision on the controversy irrespective of whether the decision is enforceable?

Mr. BARKLEY. The Board of Mediation is not a deciding body. It may be approached by either side or both sides, or it may offer its services and conduct investigations and give out to the public whatever it wants in reference to the facts, but it can not decide anything, and it ought not to decide anything, if you are going to leave it like the present Railroad Labor Board, without power to enforce its decisions.

Mr. SANDERS of Indiana. I would like the gentleman to point to a single phrase in his bill that gives to the Board of Conciliation and Arbitration the power to make investigations and a determination unless the parties agree to it beforehand.

Mr. BARKLEY. I do not understand it has to do with a decision. It is a board of mediation to bring parties together in an effort to induce a settlement upon the basis of agreement and contract, and it does not provide that this board shall be superimposed upon the transportation systems of the country and render a decision that one side may obey and the other may disobey without its having power to force its decisions.

Mr. SANDERS of Indiana. Then the gentleman agrees with me that there is no such tribunal provided for that can make such a decision?

Mr. BURTNESS. Mr. Speaker, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. BURTNESS. Is not the real important question, when you come right down to the merits of your proposed bill and the present law, the question whether you want to take away from the Railroad Labor Board the power to make a decision, with the incidental result, of course, that if that decision appears fair and just to the public, the public opinion will enforce the decision? Under your bill you are going away back from that situation. And, as a matter of fact, is not the main element of the question to decide as to whether that is proper or not?

Mr. BARKLEY. That is a question of distance and a question of the compass as to whether you are going back or forward. I think the present law brought you back to confusion, with the present board attempting, as Mr. Hoover said, to combine the functions of mediation with those of decision, but with no powers to mediate or to enforce decisions.

Mr. BURTNESS. I mean back in the way of practice, not in time.

Mr. BARKLEY. You go backward when you create an agency in which neither side has full confidence, and you go forward when you make it easy for both sides to be drawn together in confidence and respect. If the Congress of the United States desires to amend the bill in any provision, it has the right to do it.

Nobody has undertaken to create the impression, except those who are against the bill, that we are trying to drive it down your throats without the dotting of an "i" or the crossing of a "t." I myself am going to offer amendments to the bill if it is brought up for consideration. I say it is important enough to entitle it to consideration, and on Monday, without regard to party or the efforts of men on either side to crack the party whip, a majority of the House will, I trust, decide to discharge the committee and bring this measure before the House, where it can consider it under appropriate rules. [Applause.]

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District appropriation bill.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois [Mr. GRAHAM] will please resume the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes.

Mr. DAVIS of Minnesota. Mr. Chairman, I could not hear what the Clerk read. What was it?

The CHAIRMAN. It was merely the title of the bill.

Mr. DAVIS of Minnesota. I could not hear a word that he read.

The CHAIRMAN. There was nothing pending when the committee rose yesterday. The Clerk will read.

The Clerk read as follows:

For all expenses necessary and incident to the enforcement of an act entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes," approved May 1, 1906, including personal services when authorized by the commissioners, $2,452, including an allowance at the rate of $26 per month for furnishing an automobile for the performance of official duties.

Mr. BLANTON. Mr. Chairman, I make a point of order against the following language: Page 14, line 19, against the following: "including an allowance at the rate of $26 per month for furnishing an automobile for the performance of official duties."

In that connection, Mr. Chairman, I want to say that no official of this Government and no employee of this Government is entitled to any allowance for an automobile that is not authorized by law. There is absolutely no law whatever for this. I appeal to the Chair on this point that there should be legislation before we allow it. Otherwise there might be a Congress some day that would want to give a Pierce-Arrow limousine to every one of the 300,000 employees of this Government. There ought to be some way of stopping it by points of order in accordance with the rules of this House that have prevailed for a hundred years. I submit that that is legislation on an appropriation bill and that it is not authorized by law.

Mr. CRAMTON. Mr. Chairman, the act referred to, an act authorizing the District of Columbia to remove unsafe buildings and parts thereof, and for other purposes, in section 1 provides that if in the District of Columbia any building or part of building, and so forth, is reported unsafe the inspector of buildings shall examine such structure; and if in his opinion the same shall be unsafe, he shall immediately notify the owner, and so forth. And section 3 provides that whenever a report of a certain survey shall declare a certain structure to be unsafe and the owner refuses in three days to cause such structure to be taken down, the inspector shall proceed to make such structure safe, and so forth. There is a duty imposed on the inspector of buildings to carry out the provisions of that act, and Congress of course has the authority to give an expense fund for that purpose and has the same authority to provide an automobile for the use of that inspector in making his visitations and his going about the city; the same right that it has to provide him with stationery and postage, and so forth.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Certainly.

Mr. BLANTON. Of course not, because stationery and postage are incidental to office work, and it is official, but an automobile is not.

Mr. CRAMTON. Right there the gentleman has brought the issue to the point, that if it is incidental to the proper performance of the authority given to the official, we may appropriate for it; and in carrying on the work in the District of Columbia, 10 miles square, barring what was given back to Virginia, it is self-evident that in the performance of that duty some means of transportation is necessary, and it is for Congress to decide whether an automobile is better than a street car.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. BLANTON. Then, of course, we could furnish a Pierce-Arrow limousine if Congress saw fit to vote for it.

Mr. CRAMTON. Well, when the committee proposes it, it will be time enough to talk about that.

The CHAIRMAN. The act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes, approved May 1, 1906, as cited by the gentleman from Michigan [Mr. CRAMTON], is a general act. It gives broad and comprehensive powers to a board, to be known as the Board for the Condemnation of Insanitary Buildings in the District of Columbia, to do certain things in and about the District in the examination and condemnation of insanitary buildings, a very useful work and a necessary adjunct to the government of such a place as the District of Columbia.

Now, the gentleman from Texas [Mr. BLANTON] states, in support of his point of order, that an allowance for an automobile would not be permissible and in order, unless there was some authority of law for the hiring of an automobile. The Chair can not see how that can follow. Would it be contended, for instance, that it would be necessary, before the Congress could appropriate for stationery for typewriting purposes, that there must be authority given by law to the board to buy typewriting machines?

Mr. BLANTON. If it were not for the law, this Congress could not furnish a Congressman with his stationery allowance. There is a legislative statute which authorizes it, and if it were not for that legislative statute we Congressmen would be without a stationery allowance.

The CHAIRMAN. Yes; but there is no law which authorizes the Board for the Condemnation of Insanitary Buildings to buy typewriters, to buy vehicles, or buy office furniture, specifically stating it, but it is commonly conceded that they must have that right, otherwise they could not function. So it must be true that if it is necessary for them to use an automobile they ought to have the right to do so, and if they can buy an automobile it follows that Congress may appropriate a reasonable amount for the maintenance of the automobile. That is always true when Congress gives broad, general powers and does not restrict and limit those powers, and Congress has not done so in this case.

Mr. CHINDBLOM. If the Chair will permit, as a matter of fact, there is probably nothing in the law which directly authorizes the employment of personal services.

The CHAIRMAN. The Chair sees nothing of the kind in it, and the Chair has the act before him.

Mr. CHINDBLOM. But such an appropriation is made in this language:

Including personal services when authorized by the commissioners.

The CHAIRMAN. The Chair has not closely examined the statute, but it is sufficient to say the board is authorized to inspect and examine buildings. Now, the Chair must adhere to his former conclusion. If a department is authorized by law to perform certain duties, it must necessarily follow, unless Congress has limited it, that that department must have the necessary things with which to do its business and the Congress may appropriate for such purposes. The point of order is overruled.

Mr. BLANTON. Mr. Chairman, I offer an amendment merely for the purpose of finding out where we are at. At the end of the paragraph, strike out the period, insert a colon, and add the following proviso:

Provided, That in the performance of his duties, every official connected with this department shall be furnished with a Pierce-Arrow limousine, and to cover the expense thereof there is hereby appropriated $500,000.

Mr. DAVIS of Minnesota. Mr. Chairman, I make a point of order against that amendment.

The CHAIRMAN. The point of order is sustained.

Mr. BLANTON. Well, we have gotten somewhere, then.

The Clerk read as follows:

For rent of offices of the recorder of deeds, including services of cleaners as necessary, not to exceed 30 cents per hour, to be expended under the direction of the Commissioners of the District of Columbia, $6,000.

Mr. DAVIS of Minnesota. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. DAVIS of Minnesota: On page 15, line 4, strike out "$6,000" and insert in lieu thereof "$14,400."

Mr. DAVIS of Minnesota. Mr. Chairman, this pertains to the building in which the office of the recorder of deeds is

located. It has been a known fact to all those who have investigated at all that for quite a number of years there has not been sufficient room in the two rooms they occupy on the first floor to carry on the business of the office. They are much in arrears now and it is because there is not space there in which to put a sufficient number of employees.

The original amount in the bill was $6,000, and is for rent and the services of cleaners.

Now, the gentleman from Illinois [Mr. MADDEN], and others, have been down there and investigated that building. The parties who own the building have threatened to remove—and I think they can properly remove—the recorder of deeds office forthwith from that building. The proposition they make now is that they will rent the entire building and furnish heat, light, janitor service, elevator service, and everything else, for the sum of $14,400, and this committee feels confident that it is the best solution that can be had at this time. It gives us the entire building.

Of course, in the near future, Mr. Chairman, two or three years from now, there will be a building in this city, a new building near the court house, for the recorder of deeds office, but in the interim there is no question but what they must have more room, and this gives them two additional floors and sufficient room for the sum of $14,400.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. The Committee on Appropriations, embracing 35 members, is one of the most peculiar committees you ever saw. Without any authority of Congress they exercise the right continually of putting legislation in an appropriation bill at will. They have no authority to do it, but they do it, and when one of us exercises his prerogative of enforcing the rules and makes a point of order against such improper legislation they have 47 spasms, but whenever they want to introduce legislation in the way of an amendment they do it. They do it and they do not want you to make any point of order against it. Now, they get a little out of humor when I call attention to these matters which are legislation, and when the Chair sustains them under the rules they get out of humor.

Mr. DAVIS of Minnesota. I will say to the gentleman that he can make a point of order against this if he wants to and as many more as he wants to make.

Mr. BLANTON. I do not yield to the gentleman. He is disobeying the rules now.

But when I offer, Mr. Chairman, an amendment that would benefit every man, woman, and child in this District, to restrict the street-car companies to their charter rights and not permit them to charge over 5-cent fares here, when their charter restricts them to 5-cent fares, the distinguished gentleman from Michigan gets up and makes a point of order against it and will not even let the House vote on it. The idea of charging 70,000 little school children here in this District 8 cents car fare, when most of the cities of the United States are charging 5 cents for adults and charging school children half price. They are now charging 8 cents apiece street-car fare for the 70,000 school children of this District.

Oh, but the gentleman from Michigan [Mr. CRAMTON] introduced an amendment here the other day that slightly changes the fiscal plan of this District. It is true he only raised the tax rate a few pennies, raising it from $1.20 to about $1.30, when other people everywhere else are paying $3.75; but when he does that the newspapers come out and tell us about who is going to stop it. They even name the individual who is going to put an end to that matter in this bill. They say he is not going to stand for it. He is going to have the Cramton amendment put out of this bill and is going to keep the tax rate here at $1.20. I thought maybe you would like to see where that individual lives. I can not mention his name, because the rules of the House prohibit it, but here is where the gentleman lives. I can show you this picture of his fine residence here in Washington, and if he succeeds in beating the Cramton amendment he pays just $1.20 on this fine property instead of $1.30.

I want to tell you that the time has come in this great city when every Congressman and every Senator who votes for that ridiculous $1.20 tax rate to continue at the time he votes for it ought to put in the RECORD, in fairness to his constituents, the value of his property that he owns here in Washington and the assessment and the tax rate and the measly little pittance of taxes that he pays on it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Gentlemen, I have a list of every Congressman and every Senator in Washington who owns property here; and I have a list of his property and I have a list of the taxes he pays. I have not put it in the RECORD because it would not look nice for me to do it. Many Congressmen and Senators here who own property do not approve of this low tax rate. I do not want to make the others angry, but if they continue to keep this $1.20 tax rate here when the people of the United States are paying $3.75 all over this land I am going to put it in the RECORD some time as sure as you live, and I am going to let the people of this country know who it is that is benefiting here when they vote to keep the tax rate at $1.20.

I am going to let the people of this country know about it. Is not that right? Is there anything wrong about that? I do not think they are going to vote out this Cramton amendment; but if they do, it does not amount to very much for the people who live here, as the increase is slight. The gentleman from Michigan [Mr. CRAMTON] has not done much for the country in increasing the tax rate from $1.20 to $1.30. He ought to have accepted my amendment and put the tax rate here at $2.50, like it was a few years ago, and not let it be kept down to $1.20 on the $100 assessed at about 50 per cent of a real valuation.

I challenge one Congressman or one Senator to show that his property is assessed at more than 60 per cent of the cash market value of it right now. He can not do it. Property here is assessed at from 40 to 60 per cent of the real value and then taxed at only $1.20 per $100, and we ought to stop it. It is not fair to the people of the United States.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. CHINDBLOM. Mr. Chairman, I want to bring the discussion back to the amendment before the committee, namely, to increase the appropriation for the quarters occupied by the recorder of deeds from $6,000 to $14,400.

On this subject I merely want to say I had occasion recently to go down to the recorder of deeds' office to inspect a document which had been recorded there. I never saw a public office so congested in my life. I never saw men working in a public office under such cramped and almost impossible conditions as exist there. There is practically no room for desks and furniture, and the documents which have been recorded have to be put away in most inconvenient and inaccessible places.

I am glad the amendment has been offered and hope it will be passed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The Clerk read as follows:

EMERGENCY FUND

To be expended only in case of emergency, such as riot, pestilence, public insanitary conditions, calamity by flood or fire or storm, and of like character; and in all cases of emergency not otherwise sufficiently provided for, in the discretion of the commissioners, $4,000; *Provided*, That in the purchase of all articles provided for in this act no more than the market price shall be paid for any such articles, and all bids for any such articles above the market price shall be rejected and new bids received or purchases made in open market, as may be most economical and advantageous to the District of Columbia.

Mr. BLANTON. Mr. Chairman, I make a point of order to the following language: "And in all cases of emergency otherwise sufficiently provided for in the discretion of the commissioners."

Mr. Chairman, that is new legislation. It was not in the last appropriation bill. It has never been put in any appropriation bill. It is something new that our friends have put in this bill for the first time.

Mr. AYRES. That is put in the bill to cover cases of emergency. For instance, take the death of President Harding. They were absolutely helpless because they had no funds to cover the expense of that funeral. This is simply to take care of matters of that kind.

Mr. BLANTON. Does not the gentleman from Kansas know that whenever any official of the Government dies, of that importance, the Sergeant at Arms of the House and the Sergeant at Arms of the Senate, the Clerk of the House and the disbursing officer of the Senate get together and arrange for the funeral?

Mr. AYRES. They do not as far as policing the District.

Mr. BLANTON. If Congress were not in session and a Member should die, our friend the Sergeant at Arms would take charge of his body and send it to his home. He would desig-

nate the ones to go with it. He is authorized to do that by law and pay the expenses out of the contingent fund of the House. That is the law of the land when Congress is not in session.

Mr. BEGG. If this goes out on a point of order, would it not meet the gentleman's objection to strike out the words in the item "such as riot, pestilence, public insanitary conditions, calamity by flood, fire, or storm, and of like character" and leave it a straight emergency?

Mr. AYRES. We put it in to cover these emergencies, and it was said at the time that it would give somebody an opportunity to talk, and that would be all there was of it.

Mr. CRAMTON. Mr. Chairman, it is not subject to a point of order. It is simply a broadening of the proposition. The hearings give as an instance of the need for this the Knickerbocker disaster where many of the fire engines were put out of order. It covers any emergency that may come up where there is necessity for a small emergency fund.

Mr. AYRES. Take the Knickerbocker disaster where the fire apparatus went back on them.

Mr. CRAMTON. We put the language in not to broaden the authority of the commissioners but to give them some money to use in cases of emergency.

The CHAIRMAN. The Chair has not had much time to look this up. This is an item of appropriation to be used as an emergency fund for the District of Columbia. What is there in the law that prohibits Congress from establishing an emergency fund for any department?

Mr. BLANTON. Congress provides for the expenditure of every dollar that is authorized to be taken out of the Treasury by the Appropriation Committee. If there is no authorization for the fund, the Appropriation Committee has no right to appropriate money for it. It ought to be appropriated only when there is specific authority to do so.

The CHAIRMAN. Here is an appropriation for an emergency fund. The Chair believes that it is a legitimate function of Congress to make such a fund if it wants to do so. For instance, Chairman Walsh on February 10, 1921, decided that an appropriation for an emergency, an extraordinary expenditure in the Navy Department, was in order as a necessary incident to the operation of the department. The point of order is overruled.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 15, line 6, after the word "character," strike out the semicolon and insert in lieu thereof a comma.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. CHINDBLOM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 15, line 17, after the word "all," insert the word "other."

Mr. CHINDBLOM. Mr. Chairman, I do this because it has been held that general language followed by specific language will be interpreted to mean instances of the same general class.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

REFUND OF ERRONEOUS COLLECTIONS

To enable the commissioners, in any case where special assessments, school tuition charges, rents, fees, or collections of any character have been erroneously covered into the Treasury to the credit of the United States and the District of Columbia in the proportion that the appropriations for the expenses of the government of the District of Columbia for the fiscal year involved were or are paid from the Treasury of the United States and the revenues of the District of Columbia, to refund such erroneous payments, wholly or in part, including the refunding of fees paid for building permits authorized by the District of Columbia appropriation act approved March 2, 1911, $1,500: *Provided*, That this appropriation shall be available for such refunds of payments made within the past three years.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 16, line 6, after the word "proportion," strike out the language "that the appropriations for the expenses of the government of the District of Columbia for the fiscal year involved were or are paid from the Treasury of the United States and the revenues of the District of Columbia" and insert in lieu thereof "required by law."

Mr. CRAMTON. Mr. Chairman, that does not change the effect at all; but if some change was made in the first section of the bill, there would be no conflict by reason of this.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For interest and sinking fund on the funded debt of the District of Columbia, $300,000.

Mr. BLANTON. Mr. Chairman, I make the point of order against the paragraph that it is not authorized by law, that it is new legislation on an appropriation bill.

Mr. DAVIS of Minnesota rose.

The CHAIRMAN. The Chair does not care to hear any argument. The point of order is overruled. The Clerk will read.

The Clerk read as follows:

For the purchase of special typewriting equipment, typewriters, cards, and file cases, for the use of the offices of the assessor and collector of taxes, to be immediately available, $5,000.

Mr. BLANTON. Mr. Chairman, I make the point of order that this is new legislation on an appropriation bill, unauthorized by law, and that it is additional to the appropriation bill of last year. It is new matter that was not in the last District appropriation bill.

Mr. CRAMTON. Mr. Chairman, whether it was in the last appropriation bill or not is immaterial. If it was in and was then legislation it is still subject to the point of order now, and if it is not legislation the fact that it was not in a former bill has nothing to do with the question.

The CHAIRMAN. The Chair does not want to seem to be at all brusque or to dismiss these matters without consideration. The Chair has endeavored on several occasions to express his ideas about matters which were necessary for the conduct of an office which is authorized by law. When these points of order are raised, if any are raised in the future, the Chair will not go into his reasons for so holding. It is sufficient to say that the Chair thinks that he has expressed his opinion. The Chair is of opinion that such things as are necessary to carry on these legally constituted offices can be appropriated for, and therefore the point of order is overruled.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. Some time ago I went down to the collector's office and I was taken into his vaults by one of his assistants and saw there on the floor in his vault four open-top wooden boxes full of letters with checks and money attached to them, sent there in payment of taxes; checks that had been there for over a month, not cashed, lying there on the floor in those boxes. I asked him why it was and he said that they had not been able to reach them, that they did not have enough employees. The people who sent those checks there could have died or become insolvent before their checks were presented to the bank for payment. Do you know what my secretary would have done if he had been working in that office? He would have stayed there until 1 or 2 o'clock at night and on Sunday but what he would have gotten those checks filed, credited, and deposited, and he would not have done it because I told him to do it, but he would have done it from a sense of duty to his country. The idea of leaving for over a month four boxes full of checks there, together with money sent for the payment of taxes! I asked him how long they had been there and he said over a month. They ought to get some old-fashioned Yankee thrift into the business enterprises and business transactions of this District government.

Back of my house is an alley which runs behind five different houses on a down-hill grade, a very steep incline, and it has never been paved. When it rains hard the water runs away from that alley into the cellars of five different families there. About two years ago I got after the commissioners to stop that if they could. They said that they would pave the alley, and they began to send assistant engineers up there, two or three together, from time to time, and they began to look at it and make plats. It is just a little alley, about as far as from here to that door. I could have gone out there I believe myself and paved it with the assistance of a few laborers in a week. That was about two years ago that this trouble with the water began. They had been sending up there on several occasions. Finally they had a fine plan all mapped out and it was to have terraced steps down that alley. I saw how much it was going to cost and how much red tape there was to it, and I said, "For God's sake let it alone; we people will stand it if it is going to put the Government to all of that expense; stop it." And they did stop it at our request. The idea of messing around with business like that! They need some New England Yankee thrift in the conduct of their business affairs.

Mr. MORTON D. HULL. Or Illinois thrift?

Mr. BLANTON. Yes.

Mr. MADDEN. Or Texas thrift?

Mr. BLANTON. Yes.

Mr. WOODRUFF. Or Michigan thrift?

Mr. BLANTON. Yes. They ought to put some business thrift into the conduct of their government in this District.

The Clerk read as follows:

Northwest: For paving Varnum Street, Second Street to Fourth Street, 30 feet wide, $11,600.

Mr. BLANTON. Mr. Chairman, I make the point of order that that is legislation unauthorized on an appropriation bill. This same point of order affects all of these paving cases, provisions, from line 8 on page 17 down to line 8 on page 22, and will be made by me after each provision is read. It is all legislation. I do not want to repeat the point of order after the reading of each little paragraph, and I am willing to have the Chair pass on all of it at one time. It takes legislation to pave these streets. There is a legislative District Committee here to provide for it. There has not been a single representation made to the legislative committee asking for this paving. They do not come to the legislative committee, but they come to the Committee on Appropriations. They ought to be taught to come to the legislative committee for legislative matters, and it is the integrity of the jurisdiction of these legislative committees for which I am contending.

Mr. CRAMTON. Mr. Chairman, the Government owns all of these streets. Some of them have already been paved and need repaving, and some of them partially paved and need to be finished. In every case it is a continuation of a work in progress. Furthermore, the law provides that hereafter the commissioners, in submitting schedules of streets and avenues to be improved, shall each year recommend such streets and avenues in the order of their importance, as determined by them after personal examination of said streets and avenues, and there are other provisions as to how the streets shall be paved and how they shall be graded. I refer to Thirty-second Statutes, page 962. The statute clearly contemplates the paving of the streets and provides how the estimates shall be prepared. It is continuation of a work in progress.

The CHAIRMAN. The statute referred to by the gentleman from Michigan [Mr. CRAMTON] specifies how the estimates shall be made to Congress, and provides that in submitting the schedules of streets and avenues to be improved the commissioners shall arrange such streets and avenues in the order of their importance, and so forth. That estimate, of course, goes to the Congress. Then the Congress passes upon the matter as to how far it shall go in providing the money for these purposes. The gentleman from Texas [Mr. BLANTON] says that special authority should be given by the District Committee for such work. However, the Chair finds on a hasty examination of the authorities as given in the House Manual the following citations which the Chair has not had time to look up, but assumes properly bear out the syllabus:

But appropriations for rent and repairs of buildings, for Government roads, and purchase have been admitted as in continuation of a work, although it is not in order as such to provide for a new building in place of one destroyed.

Mr. BLANTON. Will the Chair yield right there for an explanation?

The CHAIRMAN. Yes.

Mr. BLANTON. This is not a Government road, for instance, like the Military Road we own over in Arlington or like the one down at Camp Meade. These are streets, if the Chair pleases, and the contiguous property owners are taxed. In other words, under the present Borland law, passed in 1914, every contiguous property owner is taxed for the pavement of 20 feet contiguous to his property. This is not a Government road; it is a public street, just as public as any street in Philadelphia or New York. The public has as much interest in it as in the streets of New York and Philadelphia and the property owners are taxed. That is one reason why there should be a hearing before the legislative District Committee. These property owners might come in and say that there is no emergency for paving this particular street that would warrant their having to pay for this 20 feet of their own property.

Mr. CRAMTON. May I call the attention of the Chair to how far the Chair has gone in the past with reference to work in progress. I recall the case of the topographic survey of the United States where an appropriation for its extension was held to have reference to a work in progress. Now, the pavement of the streets of the city is work in progress. Every single one of these pavements is to connect with an existing system of paving. There will be no breaks whatever. Every pavement to be laid under this paragraph will connect up immediately with the existing system of pavement.

The CHAIRMAN. The Chair has referred to the opinion in Fourth Hinds, paragraph 3779, which was a proposition to repair a pavement originally laid in that case in the city of Chicago, where a pavement had been laid by the Government adjacent to a Federal building in that city. The opinion was by Mr. WATSON, now Senator WATSON, of Indiana, and it goes off on the proposition entirely as to whether this road was a Government road—that is, whether the fee of the road was in the Government or not—holding by implication that if the fee was in the Government, then it was a work in progress, but inasmuch as the fee was in the city of Chicago a point of order was good against such an appropriation. Now, the fee of the streets of the District of Columbia is in the United States; they are Government roads, existing works. Corpus Juris (vol. 18, p. 1373) cites the authorities upon this proposition, citing principally Morris *v.* United States (174 U. S. 196). The point of order is overruled.

The Clerk read as follows:

Northwest: For paving Princeton Place, Warder Place to Georgia Avenue, 30 feet wide, $10,000.

Mr. BLANTON. Mr. Chairman, I am not complaining about the ruling of the Chair, because I believe the Chair is conscientious, but I am making this point of order merely to give the Chair a chance to straighten out the inaccuracy which he has fallen into from a conscientious belief in his position. Here is Princeton Place. This is to pave streets of this addition to the city of Washington. The fee to these streets is not in the Government, as the Chair indicated. Most of these streets, as the Chair will find, the dedications of those streets and additions are to the District of Columbia and not to the Government of the United States. This is the District of Columbia entity here that exists; it is Washington, D. C., not the Government of the United States. The Government has the seat of government in the District of Columbia, but every street here, every one of these additions here, the Chair will find the fee is in the District of Columbia; and I do not want the Chair's opinion to stay here in the RECORD as indicating that these streets belong to the Government, when everybody knows that they do not. The gentleman from Michigan and the gentleman from Minnesota ought not to pull the Chair into such an error. They ought to enlighten him and give him the benefit of the facts before he makes a ruling here that is to stand as a precedent in this House for all time and eternity.

Mr. CRAMTON. If the gentleman will yield, our activities are chiefly to protect the Chair from being led into error by the gentleman from Texas.

Mr. BLANTON. I know the gentleman when he wants legislation he puts it in and when he does not want it in he keeps it out. I understand the gentleman's modus operandi, and, of course, the committee backs him up in it, and be backs his brother members on the committee.

The Clerk read as follows:

In all, $482,750; to be disbursed and accounted for as "Street improvements," and for that purpose shall constitute one fund, and shall be available immediately: *Provided*, That no part of such fund shall be used for the improvement of any street or section thereof not herein specified.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last word. I do it for the purpose of asking the Chairman whether this is all that is appropriated for paving purposes in the bill.

Mr. DAVIS of Minnesota. Oh, no.

Mr. BLANTON. There are $550,000 on the next page.

Mr. DAVIS of Minnesota. These are all of the specific items. There is repair paving and things of that sort, and these are simply specific new items.

Mr. GREEN of Iowa. Well——

Mr. DAVIS of Minnesota. I will give the gentleman full statistics: Street improvements, specific improvements, $482,750; repairs to streets, avenues and alleys, $573,300; repairs in outlying sections, $275,000; assessment and permit work, $285,000; other miscellaneous items, $250,320; making a total of $1,876,370. I have given the gentleman the exact figures. The gentleman has read the papers, I guess.

Mr. GREEN of Iowa. No; I have not. But I have been traveling over the pavements, and I can say of all towns of this size or even very much smaller than Washington I never saw one that had such poor paving.

Mr. DAVIS of Minnesota. There has been a vast building improvement made in the city of Washington in the last few years.

There are more items in this bill, two to one, than the bill has ever carried in recent years. We have fifty-odd items here.

You can not put them all in one bill, because it would bankrupt the Treasury of the United States and of the District of Columbia; but we are taking them up just as fast as we can, consistently with the rules and with the money that is available.

Mr. GREEN of Iowa. The gentleman is all right about his figures, but he is wrong about my not having ridden over the streets in the last few years.

Mr. DAVIS of Minnesota. Of course, our committee has gone around and viewed every item recommended by the commissioners and by the Budget, and the items in the bill are the ones that in our opinion are the most important and the most needed. Heretofore, I will say, most of these improvements have gone down into the northwest portion of the city, in the so-called wealthier part; but recently there have been a lot of new and small buildings put up in the northeast section. That is the reason why we put these in. Probably the gentleman has ridden out in the northeast. The gentleman will find that it will be necessary to provide for as many or more items in next year's bill.

Mr. GREEN of Iowa. Mr. Chairman, has my time expired?

The CHAIRMAN. The gentleman has one minute left.

Mr. BLANTON. Mr. Chairman, will the gentleman let me ask him a question?

Mr. GREEN of Iowa. Yes. What is the question? I do not want to hold up the committee more than is necessary.

Mr. BLANTON. This is more than $800,000 that we are providing for the streets here. The taxpayers out in Iowa, where the tall corn grows, and in other States, pay approximately 40 per cent of this amount.

Mr. BEGG. No; 20 per cent. I will explain it to the gentleman when I get the floor.

Mr. GREEN of Iowa. Out in Iowa the taxpayers pay all the cost of the pavements. But it seems to me that the bad condition of the pavements is almost universal throughout the city here. Here and there you may find good pavements, but they are pretty rare.

Mr. BEGG. Mr. Chairman, I wish to offer an amendment. On page 22, line 9, I move to strike out "$482,750" and insert "$600,000."

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 22, line 9, strike out "$482,750" and insert "$600,000."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment, that it is not only unauthorized by legislation but it is an increase. If the Chair is taking the last year's legislative bill as the authority, it is an increase over that item, and it is unauthorized by law.

Mr. BEGG. What are you making the point of order against?

Mr. BLANTON. Against the amendment.

The CHAIRMAN. The point of order is overruled.

Mr. BEGG. Now, Mr. Chairman, the main reason why I offered this amendment—I am sincere and think we ought to appropriate it—is to call attention to the same fact that the gentleman from Iowa [Mr. GREEN] called attention to, namely, the unreasonable and unnecessary condition of the streets in the city. This bill carries $110,000 less money for new streets than it carried last year.

Now, the statement of the gentleman from Texas [Mr. BLANTON] that the people back home are paying so much of this is not correct. They pay 20 cents on the dollar for new pavements and no more, and if the Federal Government's damage to those streets does not represent 20 per cent of the wear, then there is no justification at all for levying any tax against the Federal Government.

I think that the policy of parsimony that has been practiced by the Congress toward nearly everything in the city of Washington is a wrong policy. I would like to see the streets in Washington and the schoolhouses the best that there are in any city in the country. What I said the other day about the schoolhouses I now say about both schoolhouses and the streets. There is not a city of 500,000 inhabitants in the United States anywhere where the streets are in as horrible condition as they are in this city and where the schoolhouses are in such a shameful condition.

Why? The only reason is that we come here and talk about the part of the Federal Government's upkeep. If the Federal Government should not pay it, let us change the system in some way, so that the people who live on the streets and send their children to school may have the opportunity to have the streets and the schools in as good condition as they are in other cities, and pay for them.

What is the condition now? If every property holder on a street wants to have that street improved what is the process? Why, in other cities if they petition the city government, the city government never turns them down if there is a big enough representation of the property holders.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. BEGG. When I am through with this statement I will yield. But in the city of Washington, if every citizen resident on a street wants a pavement, and even if the street is in such bad condition that you could not drive a two-horse wagon through it, let alone an automobile, and if they do not satisfy five men on the District Committee, they have no recourse and no appeal. And I want to say to you that that is the most outrageous condition that ever existed in any city in the United States.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield? I can contribute a little illumination.

Mr. BEGG. I do not think the gentleman can contribute any illumination on that proposition. Those are the facts of the case.

Mr. CRAMTON. Mr. Chairman, it used to be that abutting property contributed nothing, and everybody wanted to improve the streets. Since we required a contribution from abutting property I asked the District authorities a week ago what was their practice. Did they wait until they received a petition from the property owners, or did they proceed without one? He said:

We proceed without them, because, since the Borland amendment, we never get a request.

Mr. BEGG. The gentleman does not know what he is talking about. "The gentleman from Ohio" did not say what the gentleman was talking about. I said if every citizen did petition for a street——

Mr. CRAMTON. But they never do.

Mr. BEGG. But I know better. The gentleman can not tell me about what I know about. Now, then, a situation like that, Mr. Chairman and gentlemen of this House, is absolutely unfair, to deny property holders an improved street if they are willing to pay for it.

Now, there is just one other comment I want to make.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BEGG. I ask for two minutes more in order to make that comment.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for two additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BEGG. When they do improve a street in the city of Washington, if it is by any other method than a pavement, they will haul out and dump ashes in it, and when the ashes dry out and the water they dump on the ashes dries out, and a wind comes up it beats any alkali storm I ever heard of or read about. If they would dump that same load of ashes in any other city in the United States that I know anything about they would be arrested before they got off the premises.

Now, I do this not to criticize the committee nor anybody else. The committee is only an agency of the machinery we set up through which the people may secure their improvements, but I make these remarks in order to call attention to a condition which I think is outrageous as regards the citizenship of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. BEGG. Mr. Chairman, I withdraw my amendment.

Mr. BLANTON. Then, Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word and is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, the gentleman from Ohio is mistaken. Under the Borland Act, which was passed in 1914, every property owner contributes for the paving of 20 feet in the street. The Government and the District pay the balance 60–40. To pay that balance, 60–40, this $1,800,000 is appropriated in this bill, of which the taxpayers of the country pay approximately 40 per cent, if the gentlemen's amendment is adopted; but if it is not adopted then they pay the full 40 per cent.

You know, gentlemen, the gentleman from Ohio [Mr. BEGG] is the cutest man in this House. [Laughter.] He knows that if he gets up here on the floor——

Mr. SNELL. He admits it.

Mr. BLANTON. He does not have to admit it. We all know it.

Mr. AYRES. Mr. Chairman, I make the point of order that the gentleman is not discussing the section.

The CHAIRMAN. The gentleman will confine himself to the section.

Mr. BLANTON. The gentleman will keep himself within the rules. I know the rules, Mr. Chairman. As to knowledge about everything that exists in the world the gentleman from Ohio [Mr. BEGG] is the last word, and he admits it. He knows that if he makes this speech for Washington his picture will be in every paper in Washington, and they will all be for BEGG, while everybody who is against the amendment will be cussed by these newspapers. Naturally, he wants his picture in the papers. [Laughter.]

Mr. TAYLOR of West Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. BLANTON. Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. TAYLOR of West Virginia. Then, Mr. Chairman, I move to strike out the last two words. Mr. Chairman and gentlemen, it seems that the Northwest has been adequately taken care of in the preceding sections of this bill which have just been read. I know nothing about these conditions, but I was down in the Southwest the other evening, and I saw something which I feel should be called to the attention of the men who are in charge of this bill, because these men are in charge of the District. I refer to a carnival which had its tents pitched down there and had set itself up to demoralize the youth of this city. [Applause.] I find that this bill appropriates hundreds of thousands of dollars for schools, parks, playgrounds, and police protection, yet at the same time it seems the District allows carnivals to come here and set up 47 gambling devices and a lot of fake shows, where they have snake eaters, wild men, and other things which certainly do not contribute in the least to the edification or welfare of the community. It seems to me the persons in charge of the District of Columbia should see that conditions like that do not prevail in any community. [Applause.] What I saw the other evening was a disgrace to any community, much less a city of the size and standing of this great city, the Capital of our Nation.

I certainly and sincerely hope that what I say to-day will go to the persons who are in charge of the District of Columbia and that they will see to it that carnivals are not allowed to come here that do not have some standing in the community.

I am glad to say that all of the carnivals which come to the city are not like the one I saw in the Southwest.

Mr. AYRES. Will the gentleman yield?

Mr. TAYLOR of West Virginia. Yes.

Mr. AYRES. I will say that is a question for the legislative committee and not for the Appropriations Committee. That legislative committee has not much to do, and I suggest the gentleman take it up with them.

Mr. BLANTON. We have lost all jurisdiction since the Appropriations Committee assumed charge of affairs.

Mr. AYRES. I agree with what the gentleman from West Virginia has been saying.

Mr. TAYLOR of West Virginia. As I say, all of the carnivals which come to the city are not like the one I saw in the Southwest. I attended a carnival at Fifteenth and H Streets NE. recently which had some elements of respectability about it. I know there are carnivals of that kind in the country, and certainly only this kind should be allowed to come here and the revenue derived from such carnivals gives splendid regulatory powers. And yet this carnival that exists down in Southwest Washington here, on South Capitol Street, would be a positive disgrace to any community and it seems to me the District authorities should do something to see that such disgraceful shows are not allowed to pitch their tents within the confines of the city of Washington.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

To carry out the provisions contained in the District of Columbia appropriation act for the fiscal year 1914 which authorize the commissioners to open, extend, or widen any street, avenue, road, or highway to conform with the plan of the permanent system of highways in that portion of the District of Columbia outside of the cities of Washington and Georgetown there is appropriated such sum as is necessary for said purpose during the fiscal year 1925, to be paid wholly out of the revenues of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I make a point of order against the paragraph that it is legislation unauthorized in an appropriation bill. Mr. Chairman, no paragraph that authorizes an unlimited appropriation ought ever to be adopted by this committee. In other words, there is no limitation whatever placed on this appropriation. It provides "there is appropriated such sum," and so forth, and of course it is without any limitation or restriction. This was merely in an appropriation act back in 1914 and is not legislative authority for this bill. It was authority simply for that year.

Mr. CRAMTON. Mr. Chairman, of course, if the proper language is used an item can be legislation as much in an appropriation act as any other place provided it is kept in the act and does not go out on a point of order.

In 1914 a certain paragraph was put in the act, which I will not take the time to read further than to say that it does authorize the commissioners to open up, extend, and widen streets, and so forth. Legislation having been passed by Congress, the paragraph before us simply provides the money to carry out that legislative enactment, and the fact that the amount is indefinite rather than definite, of course, does not render it subject to a point of order.

Mr. DAVIS of Minnesota. It is wholly paid out of the revenues of the District of Columbia, anyway.

Mr. McKENZIE. Mr. Chairman, I would like to ask the gentleman a question. Would this authorize the opening of new streets—for example, opening a street through Walter Reed Hospital?

Mr. BLANTON. Of course.

Mr. CRAMTON. It would give no authority except such as was given by the act of 1914. That act says:

That the Commissioners of the District of Columbia are hereby authorized to open, extend, or widen any street, avenue, road, or highway to conform with the plan of the permanent system of highways in that portion of the District of Columbia outside of the cities of Washington and Georgetown, adopted under the act of Congress approved March 2, 1893, as amended—

And so forth—

by condemnation under the provisions of subchapter 1 of chapter 15 of the code of law for the District of Columbia: *Provided*, That the entire amount found to be due and awarded by the jury under such proceedings as damages for and in respect of the land condemned, plus the cost and expenses of said proceedings, shall be assessed by the jury as benefits.

The paragraph before us, as the gentleman will see, is not an enlargement at all. It says to carry out the provisions of the statute which I have just read hurriedly in part, which authorizes the commissioners to open and extend highways, there is appropriated such amount as is necessary for said purpose during the fiscal year 1925. They used for this purpose $26,477.58 last year, and that is about what it runs ordinarily.

Mr. McKENZIE. Will the gentleman yield further?

Mr. CRAMTON. I yield.

Mr. McKENZIE. The gentleman is well aware of the fact that the Committee on Military Affairs in the last Congress had a bill before it to prohibit the opening of Fourteenth Street through the Walter Reed Hospital grounds.

Mr. DAVIS of Minnesota. That is in the city of Washington and this does not apply within the cities of Georgetown and Washington.

Mr. McKENZIE. It is in the District of Columbia.

Mr. DAVIS of Minnesota. No; this says outside of the cities of Washington and Georgetown.

Mr. McKENZIE. Do you say the Walter Reed Hospital is in the city of Washington or in the District of Columbia?

Mr. DAVIS of Minnesota. That is right. It is in the District of Columbia.

Mr. McKENZIE. It is in the District of Columbia, as I understand it. Following that, realizing the opposition that existed in the Committee on Military Affairs and the opposition of the Surgeon General of the United States Army to the proposition of opening Fourteenth Street through these grounds, they introduced a bill which went to the District of Columbia Committee and was reported out, and owing to opposition to the bill in the last Congress it was not finally acted upon. In this Congress there has been such a bill introduced and reported from the Committee on the District of Columbia and it is now on the calendar. There are some of us who believe in preserving the integrity of the Walter Reed Hospital grounds who have been watching that bill, hoping this Congress would defeat it. The only thing I am interested in is whether or not this provision in this bill is so written that it will permit these gentlemen in Washington to go ahead and do that which in my judgment the Congress of the United States does not want done, and that is the opening of Fourteenth Street through the grounds at Walter Reed Hospital.

Mr. CRAMTON. If the gentleman will permit, during all these years during which they have been agitating the Fourteenth Street proposition, this provision has been in the law year after year, and it is to be assumed that if the language were sufficiently broad to reach the case the gentleman has in mind, they would never have come to Congress for such authority. I am not familiar sufficiently with the facts, but my explanation would be that that extension is not a part of the permanent plan of the District of Columbia which is referred to in the statute. The statute I have read does not permit this money to be used for an extension of a street except in accordance with the permanent highway plan of the District.

Mr. McKENZIE. I do not wish to quarrel with the committee or to delay the committee, and I want to ask the gentleman from Michigan and the chairman of the committee if they will accept the following amendment, which will correct the whole thing, and that is, in line 25, after the word "highway," insert "except the Fourteenth Street extension." That will remove all question about it.

Mr. DAVIS of Minnesota. I have no objection to it—none whatever. It does not apply to such an extension, and I have no objection to your putting it in.

Mr. CRAMTON. If it is satisfactory to the gentleman from Minnesota, it is to me; but there is this danger: The present highway plan does not include this proposition or a good many other things that have been proposed. Now, to say here they may do anything that is in that statute except the Fourteenth Street matter, which is not within the statute, is a pretty cumbersome mixing up of the law.

Mr. BLANTON. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BLANTON. The gentleman from Michigan, who has control of the bill, having agreed to the amendment, I presume the gentleman from Illinois will permit my point of order to be overruled.

Mr. McKENZIE. I am not passing on the point of order.

The CHAIRMAN. The Chair is ready to rule. The provisions of the statute, 37 Statutes at Large, page 950, was contained in the District of Columbia appropriation bill of 1914. The only question for the Chair to decide is whether that was permanent legislation or simply for the year.

Mr. BLANTON. Does it say "hereafter"?

The CHAIRMAN. This is the language of the act of 1914:

The Commissioners of the District of Columbia are hereby authorized to open, extend, or widen any street, avenue, road, or highway to conform with the plan of the permanent system of highways in that portion of the District of Columbia outside of the cities of Washington and Georgetown—

And so forth—

adopted under the act of Congress approved March 2, 1893, as amended by the act of Congress approved June 28, 1898—

And so forth.

Therefore they are authorized to open, extend, or widen any street, avenue, road, or highway in accordance with that plan. Of course, such language means that they are authorized to do it at any time, and any other contention would seem to the Chair unjustified. The Chair thinks it was permanent legislation. He is further sustained in this ruling by the ruling of Chairman Hicks in Committee of the Whole in passing on the widening of a street in the District of Columbia, who said that the widening of the street was authorized in accordance with the act of 1914. That decision was made in 1923 on a subsequent appropriation bill, and the Chair thinks it was sound. There can be no doubt that this was permanent legislation. The point of order is overruled.

Mr. McKENZIE. Mr. Chairman, I offer the following amendment, to insert in line 25, after the word "highway," the words "except the Fourteenth Street extension."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. McKENZIE: Page 22, line 25, after the word "highway," insert the words "except the Fourteenth Street extension."

Mr. CRAMTON. Mr. Chairman, I am afraid of that, and I am going to ask the gentleman if he insists on that to put in the words "and Piney Branch extension." Let the amendment cover both.

Mr. McKENZIE. Very well; I will modify my amendment.

The CHAIRMAN. Without objection, the amendment of the gentleman from Illinois will be modified and again reported.

The Clerk read as follows:

Modified amendment by Mr. McKENZIE: Page 22, line 25, after the word "highway," insert the words "except the Fourteenth Street extension and the Piney Branch Road extension."

Mr. BLANTON. Mr. Chairman, I offer the following amendment: At the end of the McKenzie amendment, add the following proviso:

Provided, That the authority given in the act of 1914 is not hereby in any way extended.

If you are going to put in these two exceptions, as the gentleman from Michigan knows, it opens up every street in the District of Columbia, both in old Georgetown and the city of Washington.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON to the amendment of Mr. McKENZIE: "*Provided*, That the authority given in the act of 1914 is not hereby in any way extended."

The CHAIRMAN. The question is on the amendment.

Mr. BLANTON. Mr. Chairman, I think, as this is an important matter, we ought to have a quorum.

Mr. DAVIS of Minnesota. I will state that if the point of order is withdrawn we will put the gentleman's amendment in a new paragraph.

Mr. CRAMTON. If it is adopted in the way the gentleman has offered it, it is right in the middle of a sentence.

Mr. BLANTON. Very well; I will withdraw the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. McKENZIE].

The question was taken, and the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I offer the following amendment at the end of the paragraph.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 23, line 5, after the word "Columbia," insert "*Provided*, That the authority given in the act of 1914 is not hereby in any way extended."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For completion of trestle and bins in N Street NE., between First Street and Second Street, $20,000.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

Mr. BLANTON. Mr. Chairman, I reserve a point of order on the paragraph first and then the gentleman's amendment can be reported.

Mr. CRAMTON. Mr. Chairman, I prefer to withhold the amendment until the point of order is determined.

Mr. BLANTON. Mr. Chairman, this is a new item, lines 12 and 13, not carried in the last year's appropriation bill, and while it provides for completion, yet there is a fund provided to build a trestle and bins at N Street NE.

Mr. DAVIS of Minnesota. Mr. Chairman, in the act of October, 1922, we appropriated $20,000 for the completion of a trestle and bins at N Street NE., between First and Second Streets, and this is simply a continuation of that work and sufficient to carry out the provision.

The CHAIRMAN. The point of order is overruled. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 24, after line 13, insert the following:

"GASOLINE TAX ROAD AND STREET FUND

"For paving, repaving, grading, and otherwise improving streets, avenues, suburban roads and suburban streets, respectively, including personal services and the maintenance of motor vehicles used in this work as follows, to be paid from the special fund created by section 1 of the act entitled 'An act to provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes,' approved April 23, 1924:

"Northwest and Southwest: For paving Fourteenth Street, B Street south to C Street north, 50 and 70 feet wide, $30,000;

"Southeast: For paving Eleventh Street, Pennsylvania Avenue to the Anacostia Bridge, present width, $75,000;

"Northwest: For paving Twentieth Street, E Street to Virginia Avenue, 32 feet wide, $10,000;

"Northeast: For paving Central Avenue, Benning Road to District line, $78,000;

"Northeast: For paving Fifteenth Street, B Street to E Street, 32 feet wide, $38,000;

"Southeast: For paving Fifteenth Street, B Street to E Street, 32 feet wide, $38,000;

"Northwest: For paving Butternut Street, Fifth Street to Blair Road, 45 feet wide, $10,000;

"Northwest: For paving Forty-first Street, Davenport Street to Livingston Street, 30 feet wide, $49,000;

"Northwest: For paving Georgia Avenue, Military Road to Fern Street, 60 feet wide, $112,000;

"Southeast: For paving Nichols Avenue, Portland Street to Fourth Street, 56 feet wide, $25,000;

"Northeast: For paving Bladensburg Road, end of concrete to District line, 45 and 60 feet wide, $55,000;

"Northwest: For paving Wisconsin Avenue, Massachusetts Avenue to River Road, 60 feet wide, including necessary relocation of street car tracks and water mains, 60 feet wide, refund to be obtained from the street railway company so far as provided under existing law, $350,000;

"Southeast: For repairing and reflooring the Pennsylvania Avenue Bridge, $20,000;

In all, $890,000; to be disbursed and accounted for as 'gasoline tax road and street improvements,' and for that purpose shall constitute one fund: *Provided*, That no part of such fund shall be used for the improvement of any street or section thereof not herein specified: *Provided further*, That hereafter any moneys derived from assessments against private property for paving and resurfacing streets under provisions of existing law arising from the expenditure of the fund created by such act of April 23, 1924, shall be paid into the Treasury of the United States and be credited to and shall constitute a part of said fund and shall thereafter be available for appropriation in the same manner as the proceeds of the gasoline tax."

Mr. BLANTON. Mr. Chairman, I make the point of order to the following language in the amendment, which is clearly legislation and subject to a point of order:

Provided further, That hereafter any moneys derived from assessments against private property for paving and resurfacing streets under provisions of the existing law arising from the expenditure of the fund created by such act of April 23, 1924, shall be paid into the Treasury of the United States and be credited to, and shall constitute a part of said fund and shall thereafter be available for appropriation in the same manner as the proceeds of the gasoline tax.

Mr. CRAMTON. Mr. Chairman, I admit that language is subject to the point of order. I reoffer the amendment without that language.

Mr. BLANTON. It will not be necessary to reoffer it without the language, because that is all I make the point of order to, and the amendment stands with that out.

The CHAIRMAN. The point of order is sustained.

Mr. CRAMTON. Mr. Chairman, I hope before we dispose of it that the gentleman will modify his position. Explaining the amendment, recently we passed "an act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes," which was approved April 23, 1924. When that gas tax bill was pending in the House I offered an amendment which suffered some change in the course of the legislative history of the bill, but which finally stands out as follows in the law:

The proceeds of the tax, except as provided in section 10, shall be paid into the Treasury of the United States entirely to the credit of the District of Columbia, and shall be available for appropriation by the Congress exclusively for road and street improvement and repairs.

That means that the proceeds of the gas tax, the 2 cents a gallon paid by the automobile owners and truck drivers, shall be paid into the Treasury entirely to the credit of the District of Columbia, to be available exclusively for street and road improvement and repairs.' Since that became a law the people of the District, who are always expecting the worst, have been sure that the worst that could be imagined has happened.

The amendment I have offered now is an attempt on my part, which I thought incumbent upon me to make as the author of that provision in the law, to keep faith with the people of the District. The motorist who pays 2 cents a gallon into this tax fund is assured that the money will be used for street and road improvement and repair. The District of Columbia bill which is now before us was made up some time ago. I understand it was completed in its terms several weeks before it was reported to the House.

Mr. DAVIS of Minnesota. Nearly two months.

Mr. CRAMTON. The gentleman from Minnesota says two months, and it was not reported to the House sooner than it was because of pressure of other business. Therefore, the bill as reported to the House carries the program for street and road improvement and repair which it would ordinarily carry if there had been no gas tax. As there has now been enacted this gas tax law, the tax to be paid by the people of the District and the tourists of the country and visitors to Washington, I am now offering the amendment to provide a program of additional street and road repair for the next fiscal year, to be taken from that fund. The estimates are that that fund will amount to about $900,000 a year. There is, of course, an element of speculation in that. The commissioners have their opinion that it will not vary $100,000 either way from that figure. The law will become effective May 23, 1924, in respect to the payment of the 2-cent tax, so that there will probably be available by the next fiscal year, 1925, a little better than 13 months' tax, or a little better than $980,000 under that estimate.

As it is my desire to see this work out in a manner perfectly fair, in a way which will keep faith, I took the matter up with the officials of the District several days ago. I remember one year ago when we were making up the appropriations for street improvements our committee gave emphasis, and I think the committee has this year, and I think the officials in making their estimates have given emphasis to the need of adjacent property owners who were entitled to have paving in front of their several residences, where the property was 100 per cent built up, but in connection with this expenditure where it is contributed by those who drive automobiles and trucks, and so forth, it has seemed to me that a different policy should be followed.

We should endeavor to give first consideration when we are improving streets out of the gasoline tax to those arteries of travel which will be most commonly used by automobiles. The authorities of the District are in agreement with me as to that theory. I asked the authorities of the District, Major Bell, Mr. Hunt, and so forth, to prepare a program that they thought would be the most beneficial in the improving of the main arteries and streets that would be of general convenience to motorists, and the program that I have offered substantially is the one suggested by the engineer's office. There are two or three items which have seemed to me of importance that I have suggested be added to Major Bell's list, and those suggestions have been heartily concurred in by the engineer's office—for instance, the resurfacing of the Pennsylvania Avenue Bridge across the Anacostia River, and also the extension of the proposed repaving of Eleventh Street SE. so that it would go entirely from Pennsylvania Avenue to the bridge; also the paving of Fifteenth Street SE. from B to E. This program that I have suggested touches most of the main arteries leading out of the city. It proposes the improvement of Fourteenth Street, leading to the Highway Bridge; also of Wisconsin Avenue, that very important artery leading out into Maryland and the National Pike. It provides something for the improvement of Georgia Avenue.

It completes the cementing of Bladensburg Road. It provides for the paving of Central Avenue to connect up with the paved highway in Maryland at Capitol Heights. It provides for the improvement of the Pennsylvania Avenue Bridge, the completion of Fifteenth Street from Fifteenth and H Streets NE. to Pennsylvania Avenue SE., and also the improvement of Eleventh Street, leading to the Anacostia Bridge. I want to say that when the program was completed I asked Colonel Keller and Mr. Hunt, in charge of the highway improvement, and Mr. Kennedy, representing the Budget, whether in their judgment that was the best program that could be made to expend this gas-tax money for the general benefit of those who pay the tax, and they have all agreed that in their opinion it does represent the best arrangement that could be made. The chairman of the committee, Mr. DAVIS, and the ranking minority member, Mr. AYRES, with whom I have consulted, have cordially supported the proposal.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

Mr. CRAMTON. I will offer that part of the proposition that went out on the point of order, and ask the gentleman from Texas to withhold the point of order if he feels that he must make one.

Mr. BLANTON. Mr. Chairman, I make the point of order.

Mr. CRAMTON. Will the gentleman withhold it while I make a statement?

Mr. BLANTON. I want to state this to the gentleman as the reason why I do it.

Mr. CRAMTON. In a moment. I offer that as a proviso to be added to the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: After the word "specified" in the last line of the amendment just adopted insert a colon and the following: "*Provided further*, That hereafter any moneys derived from assessments against private property for paving and resurfacing the streets under provisions of existing law arising from the expenditure of the funds created by such acts of April 23, 1924, shall be paid into the Treasury of the United States and be credited to and shall constitute a part of said funds and shall thereafter be available for appropriation in the same manner as the proceeds of the gasoline tax."

Mr. BLANTON. Mr. Chairman, I reserve a point of order, and I want to state this to the gentleman from Michigan. The only reason I make this point of order is this: Ninety per cent of all the streets in old Washington have been paved before the Borland amendment was passed, when the District paid one-half of all of it and the Government of the United States paid the other half of all of it, and the property owners did not pay a cent of it. Ninety per cent of such streets have been thus paved before the Borland Act passed in 1914 and became operative in 1915. Now, the taxpayers of the Government have already paid into this District $215,456,000 for civic expenses, and it is only right that this little bagatelle should go back into the National Treasury.

Mr. CRAMTON. If the gentleman will listen to me for a moment, I hope I can affect his judgment on this, because it is very imperative to keep full faith.

Mr. BLANTON. I am willing to withhold the point of order, only I want to have it understood that this is Saturday afternoon and the employees here have got to do their Sunday marketing, and they should be given time to do their Sunday marketing. I see present over there our genial friend from Massachusetts, whom we have missed every minute since he left us, who was one of the strongest legislators in the whole United States [applause], and he used to insist from a humanitarian standpoint that the employees of this Capitol should have Saturday afternoon in order to market. I wish he were back here, for he would make you committeemen stand around.

Mr. CHINDBLOM. The gentleman is referring to Judge Walsh?

Mr. BLANTON. To Judge Joe Walsh of Massachusetts, of course.

Mr. CRAMTON. Mr. Chairman, here is the way this thing works, and I want the attention of the gentleman from Texas because I want him to withdraw the point of order. This appropriation provides the entire expense of the pavings in question, and the abutting property owners will eventually, in the next three years, pay back a portion of the expenses. Now, all of this $890,000 will come out of the 2-cent gasoline tax. Every penny of it. The gentleman from Texas as a conferee, and I, as a Member on this floor, have done what we could to provide this fund, and he and I have been responsible in assuring the motorists that if they paid that 2 cents every cent of it would go into street improvement. Now, the effect of my amendment is this: If in the first instance we spend $10,000 on a street and in the next three years $4,000 comes back out of that $10,000 it goes into the Treasury, part to the credit of the District and 40 per cent to the credit of the United States. My amendment would provide when it came back, having come from the motorists, having come from the gas-tax fund, when it came back it should go to the gas-tax fund and be used hereafter just as the law provides that fund shall be used. Now, if the gentleman's point of order is insisted upon and Congress does not legislate, a little matter like this is apt to be lost sight of. Then, when the money comes back next year it goes into the general fund, 40 per cent goes to the Federal Government——

Mr. BLANTON. It ought to.

Mr. CRAMTON. It ought not. Whenever we get ready to require the District to pay back anything we think they owe us, if we ever do, let us take it out of the people of the District and not penalize those who contribute to this special fund which the gentleman from Texas and I have both pledged ourselves shall be kept inviolate for street and road improvement.

Mr. BLANTON. If the gentleman will yield, that is exactly what we are doing with the gentleman's amendment—we are spending it all upon the streets.

Mr. CRAMTON. No; we are not.

Mr. BLANTON. We are spending all the money upon the streets.

Mr. CRAMTON. And 40 per cent of it will, inside of three years, come back; and unless my amendment is adopted it will go into the Treasury, to be used by the District and by the Federal Government for anything.

Mr. BLANTON. I will tell the gentleman from Michigan how he will stop it. If, when he goes into conference——

Mr. CRAMTON. I will not be a conferee——

Mr. BLANTON. If the gentleman can get the conferees to put a provision in here to the effect that the taxpayers shall pay $2.50 on the hundred, he will solve the problem for all time.

Mr. CRAMTON. We want to be fair. I do not want the time to come when I shall not keep my plighted word to the people of the District.

Mr. BLANTON. I did not make any pledge.

Mr. CRAMTON. The gentleman was a conferee.

Mr. BLANTON. On the bill that the people of the District went to the White House and tried to get a veto on; yes. I did not make any pledge except the pledge I am going to fight here until the people of the District of Columbia pay a tax of $2.50 a hundred, and I am going to keep that fight up as long as I am in Congress.

Mr. CRAMTON. I appeal to the gentleman not to make the point of order.

Mr. BLANTON. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

BRIDGES

For construction and repair of bridges, including an allowance at the rate of $26 per month to the overseer of bridges for the maintenance of an automobile for use in performance of his official duties, and including maintenance of motor vehicles, $30,000.

Mr. BLANTON. Mr. Chairman, I do not care to make a point of order on the whole paragraph. I just make it to that part that is subject to a point of order. I make it on the word "construction" in line 15, which would cut out new construction, which requires legislation, and which is unauthorized by law. It has come from no legislative committee.

Mr. DAVIS of Minnesota. Mr. Chairman, that word "construction" has been carried in there for many years. I do not see any particular harm in leaving it in there now. It is construction and repair of bridges. I do not think there is anything wrong in it, or anything that is subject to a point of order.

Mr. CRAMTON. Mr. Chairman, I will make the suggestion to the Chair that a bridge is simply a part of a street improvement. When you proceed with your paving, when you come to the stream or otherwise where a bridge or culvert is necessary, the construction of that is simply in continuation of a work in progress.

Mr. BLANTON. Then it is not necessary that we shall have to legislate to complete this $14,600,000 memorial bridge across the Potomac.

Mr. CRAMTON. It will be necessary to get an appropriation.

Mr. DAVIS of Minnesota. You can not build it out of this fund.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Pennsylvania [Mr. Dalzell], on May 4, 1900, made a ruling that is in point here. I read from Hinds' Precedents, Volume IV, section 3794:

On May 4, 1900, the sundry civil appropriation bill being under consideration in Committee of the Whole House on the state of the Union, this paragraph was read:

"For construction of a bridge across Rock Creek on the line of the roadway from Quarry Road entrance under the direction of the Engineer Commissioner of the District of Columbia, $22,000, one-half of which sum shall be paid out of the revenues of the District of Columbia."

Mr. J. H. Bankhead, of Alabama, having made a point of order, the Chairman held:

"The Chair has no doubt that this appropriation is in continuance of a public work already begun and is not subject to a point of order."

With this the Chair concurs, and the point of order is overruled.

Mr. LOZIER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri moves to strike out the last word.

Mr. LOZIER. Mr. Chairman and gentlemen, as a new Member of this House, I had not been here but a few weeks until I became convinced that there was something radically wrong in the system under which the District of Columbia is governed. Subsequent investigation has confirmed this opinion. The length of time consumed by Congress in District of Columbia legislation is out of all proportion to the time consumed in legislating for the rest of the United States. Under the rules of this House, two Mondays in each month are de-

voted to District legislation; that is, 2 days out of every 24 must be spent by Congress in District of Columbia legislation, and the other legislative days are reserved for general legislation. Two days to legislate for one-half million people and 24 days to legislate for the remaining 109,500,000 people in the United States.

I am not criticizing Congress for this legislation, but I am criticizing a system that requires so much of the time of Congress in legislating for the District of Columbia. We are spending practically one-twelfth of the entire session in legislation involving an infinity of detail with reference to the District of Columbia, while the major things involving the prosperity and economic life of the Nation are pushed aside.

Mr. AYRES. Mr. Chairman, will the gentleman yield there?

Mr. LOZIER. Yes.

Mr. AYRES. And at the rate we are going, we shall probably spend one-twelfth more.

Mr. LOZIER. This is probably true. The Members of this House must realize that this policy was never contemplated when the District of Columbia was selected as our seat of government. And if the fathers of this Republic, who voted to establish the Capital at the falls of the Potomac, instead of at the falls of the Delaware, could see the trouble and perplexity which surround Congress now over the legislation with reference to the District of Columbia, they would wonder whether or not they were wise in coming out to what was then almost a wilderness for a site for our National Capital.

The founders of our Government encountered serious difficulties in deciding on a location for our Capital.

The Continental Congress met in different cities, having had an ambulatory experience. It assembled on 10 occasions at 8 different places—Philadelphia, Baltimore, Philadelphia, Lancaster, York, Philadelphia, Princeton, Annapolis, Trenton, and New York. The first five meetings were during the Revolutionary War. On June 21, 1783, a mob interrupted the session of the Congress in Philadelphia. This mob was composed largely of militiamen who were demanding payment for their services. The Members were not permitted to speak, and loaded muskets were drawn on the Members. As a result Congress decided to erect a building near the falls of the Delaware river (Trenton). This plan was opposed by the southern Members of the Continental Congress, who demanded that another meeting place should be provided near the falls of the Potomac and that Congress should meet first at one of these places and then at the other. The New Jersey proposition was adopted, but as the Government had no money to build a Capitol it was decided that Congress should meet in New York City until the new Capitol was ready for occupancy.

There was widespread opposition to Congress meeting in New York City, where it was claimed the Members would be under the sinister and corrupting influence of the "money power." The proposal to select Philadelphia as the permanent Capital was objected to because the Quakers favored the abolition of slavery, which indicates that even at that early day the slavery question was becoming a factor in public affairs.

The first Congress after the adoption of our Federal Constitution seriously contemplated establishing the Capital of the Nation on the banks of the Susquehanna. To Thomas Jefferson is ascribed the credit of having defeated this carefully prepared plan. He desired to locate the Capital of the Nation on the Potomac, midway between the South and North and far from the then centers of wealth and population, to the end that Congress and the National Government might at all times be free and far removed from the "corrupting influences" of the money power and commercial classes, who were then beginning to exercise a potential influence in public affairs.

Mr. Jefferson gave a dinner to which a large number of Members of Congress were invited. Among the guests were two very aggressive anti-Federalists who were opposing the assumption of the State debt by the Federal Government. As a result of "logrolling," these two anti-Federalists withdrew their opposition to the Federal Government assuming the debts of the States on condition that the Federalists vote to establish the Capital on the banks of the Potomac after 10 years, during which time the Capital was to remain at Philadelphia. The Federalists were very anxious to have the General Government assume the debts of the several States, and in order to secure the adoption of this policy a sufficient number of the Federalists voted with the southern Members to insure the location of the Capital on the Potomac.

The act of Congress of June 28, 1790, established the Capital "at some place between the mouths of the Eastern Branch and the Connogocheague." The District was laid out by General Washington. It may be of interest to note that it included the site of the ancient village of Powhatan.

A man named Pope had at one time owned and occupied this land as a plantation. Strange as it may seem, he must have dreamed that at some time the Capitol of the Nation would be located here, for in his will he called this hill "the Capitol" and a brook nearby "the Tiber."

When the Capital was established here it was far removed, as distance was then computed, from the great centers of wealth and population. Washington, Jefferson, Madison, and other constitutional fathers contributed materially to the upbuilding of the District of Columbia and the city of Washington. After the burning by the British Army, Congress decided to remove the Capital to some northern locality. The Speaker cast the deciding vote on this proposal, but the plan was abandoned and the Capitol of our Nation remained on the site where the founders of our Republic established it.

The District of Columbia was governed by three commissioners appointed by the President until 1871, at which time, in response to a general demand from the people of the District, it was given a governor, legislature, and a Delegate in Congress. After three years of self-government the District was bankrupt. During this period graft and corruption permeated every branch of the District government, and it was necessary for Congress to again assume direct legislative control over the affairs of the District.

By the act of June, 1878, the present comprehensive scheme of government was adopted. This bill has been referred to by our Supreme Court as "the Constitution of the District of Columbia." Up to 1874, all of the expenses of the District were paid by the people of the District. For a time thereafter these expenses were divided equally between the District and the Federal Government. Later on these expenses were apportioned on a 60–40 basis.

Now, we shall have in the city of Washington within less than a quarter of a century, 1,000,000 people; and the complications which now confront the Congress will be multiplied over and over again. When the people of the District of Columbia want anything they come before Congress and say, "We are the wards of the Government. The United States is the wet nurse of this municipality, and you must open the Treasury of the United States and make appropriations for the maintenance of the District." The contention as to how the expense of the District shall be apportioned waxes warmer at each session of Congress.

Now, some method must be devised within the next few years by which Congress and the people of the United States will be relieved from the necessity of legislating in matters involving an infinity of details, with reference to the municipal and local matters of the District of Columbia.

It seems to me that ultimately we shall be forced, in self-defense, to cede back to the State of Maryland this District territory, the United States Government retaining jurisdiction and sovereignty over its buildings and grounds, with such additional sovereignty and jurisdiction as may be found necessary to enable the Federal Government to efficiently and effectively function. If that is done, the District will become a part of the State of Maryland, with all the civil and political rights of the present citizens of Maryland. Then the people of the District will have representation in Congress. They will have the right to vote for President and Vice President. They will not be disfranchised as they now claim to be, and yet at the same time they will be subject to State laws and enjoy the municipal powers now exercised by the citizens of Maryland. This done, they will not be clamoring at the doors of Congress each year for appropriations, and the time of Congress can be given to the enactment of legislation in which the people of the entire United States have an interest.

I have not formulated a definite plan, but I am making this suggestion hoping that before the assembling of the second session of the Sixty-eighth Congress the leaders in the House—the men who are familiar with District affairs, the men who have studied these problems and know the needs and difficulties of the people of the District—will get together and formulate a plan which will permanently solve this complicated problem of District of Columbia government.

We have been quibbling and engaging in child's play so far as legislation for the District is concerned, and there will always be trouble and contention until we have adopted a system by which Congress will be relieved of the necessity at every session of Congress of devoting a considerable part of its time in legislating for the District.

No other nation has "a District of Columbia problem." Other nations efficiently function with their seat of government in cities which are not under national control.

I am suggesting no definite plan. I am committed to no particular policy, but I do say that a change in the system for

the government of the city of Washington and the District of Columbia is inevitable. This is a big question, and Congress might as well begin in earnest to consider its proper solution.

It is out of the question to talk about giving the District self-government in the sense of according it representation in the House, Senate, and Electoral College, but I do favor some system which will, in so far as possible, give the District self-government, with the burdens and benefits incident thereto; and it may be necessary to relinquish the District territory to the State of Maryland, the Federal Government retaining jurisdiction and sovereignty over its buildings and grounds and all such additional sovereignty and jurisdiction as may be necessary to enable the Government to efficiently and effectively function. [Applause.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. The distinguished gentleman from Missouri [Mr. LOZIER] complains because Congress, as he says, devotes about one-fifth of its time to District legislation, but there is not one-fifth of the Members of Congress who do that at all. Until some few extra Members came in a few minutes ago, I counted at one time to-day only 15 Members on the floor who were devoting their time to District affairs.

Mr. LOZIER. The gentleman from Missouri has been here all day.

Mr. BLANTON. If the gentleman will count, he will see that not over 30 or 35 Members devote very much time to District business at any time when this bill is up, so that when bills affecting the District of Columbia come up it is natural for those of us who have studied District business to take the floor. We have made a study of them during many days and sometimes during a part of the night, so gentlemen should not complain when we do have to take the floor.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL of Maryland. I just want to say that I agree entirely with the gentleman that when we are discussing District affairs, which are of so much importance to the general taxpayers as well as to Washington itself, there should be more Members here. I would like to say at the same time that the gentleman's [Mr. LOZIER] suggestion that the District of Columbia be returned to its mother State of Maryland is one which interests me very greatly.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

Appropriations hereafter made for the construction and repair of bridges shall be available for repairing, when necessary, any bridge carrying a public street over the right of way of property of any railway company, or for constructing, reconstructing, or repairing in such manner as shall in the judgment of the commissioners be necessary reasonably to accommodate public traffic, any bridge required to carry or carrying such traffic in a public street over the right of way or property of any canal company operating as such in the District of Columbia, on the neglect or refusal of such railway or canal company to do such work when notified and required by the commissioners, and the amounts thus expended shall be a valid and subsisting lien against the property of such railway company or of such canal company, and shall be collected from such railway company or from such canal company in the manner provided in section 5 of an act providing a permanent form of government for the District of Government, approved June 11, 1878, and shall be deposited in the Treasury to the credit of the United States and the District of Columbia in the same proportions as the appropriations for such purposes have been or may be paid from the Treasury of the United States and the revenues of the District of Columbia.

Mr. CRAMTON. Mr. Chairman, I offer an amendment, and I will say that this amendment is the same amendment that I previously offered.

The CHAIRMAN. The gentleman from Michigan offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 25, line 15, after the words "in the" strike out "same proportions as the appropriations for such purposes have been may be paid from the Treasury of the United States and the revenues of the District of Columbia," and insert in lieu thereof the following: "proportions required by law."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment.

Mr. CRAMTON. Let me say to the gentleman from Texas that it does not change the law.

Mr. BLANTON. I withdraw the point of order.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word in order to ask a question. We have several bridges across rivers here, the Anacostia and the Potomac Rivers, over which street railway companies run their cars. The law requires these car companies to pay a toll. They have gotten the benefit of the bridges which have been built at Government expense, yet I understand these street railway companies refuse to pay that toll and it is not being collected. I want to know why the committee does not take steps to make them pay for the privilege of crossing bridges which they themselves would have to furnish if they were not constructed otherwise.

Mr. DAVIS of Minnesota. Let the District legislative committee, of which the gentleman is a member, enact some law which will force them to do that.

Mr. BLANTON. The law is already here requiring them to do it, but they are not doing it. I imagine that if this committee were to withhold the salaries of the individuals whose duty it is to make them pay that toll they would begin making them pay it at once. I want to suggest that to the committee, that it withhold those salaries if they do not begin collecting those tolls in full and make them pay. Why should we furnish this big, fine $3,000,000 Francis Scott Key Bridge across the Potomac and let the railroad companies cross it, when they would have had to build it themselves if they were not given the privilege of crossing it? We had to make it wide enough to carry their tracks, and they ought to pay the full amount of the toll required by law or they ought not to be permitted to cross it.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CHINDBLOM. This would be a fruitful subject for investigation, would it not?

Mr. BLANTON. Oh, investigations! I am sick of them; when they cost hundreds of thousands of dollars and accomplish nothing.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

Francis Scott Key Bridge across Potomac River: For miscellaneous supplies and expenses of every kind necessarily incident to the maintenance of the bridge and approaches, including personal services, $2,000.

Mr. DAVIS of Minnesota. Mr. Chairman, I offer the following amendment: After the word "Bridge" in line 4, page 26, strike out the words "across Potomac River."

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. DAVIS of Minnesota: On page 26, line 4, after the word "Bridge," strike out the words "across Potomac River."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEWERS

For cleaning and repairing sewers and basins, including the purchase of two motor field wagons at not to exceed $650 each, the purchase of two motor trucks at not to exceed $650 each, and the purchase of one motor tractor at not to exceed $650; for operation and maintenance of the sewage pumping service, including repairs to boilers, machinery, and pumping stations, and employment of mechanics and laborers, purchase of coal, oils, waste, and other supplies, and for the maintenance of motor vehicles used in this work, $231,000.

Mr. BLANTON. Mr. Chairman, I make a point of order against the following language on page 26, lines 22 and 23, which reads as follows: "and the purchase of one motor tractor at not to exceed $650," being legislation, unauthorized.

The CHAIRMAN. The Chair does not desire to be considered discourteous, but thinks the Chair has indicated his opinion on this matter. The point is overruled.

Mr. BLANTON. I offer an amendment, Mr. Chairman. On page 3, line 27, after the figures "$231,000," strike out the period, insert a colon, and add the following language:

Provided, That no part of this sum shall become available until regulations shall prescribe that parties connecting with such sewer system shall bear the full expense of all such connections, including necessary excavation.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 27, line 3, after the figures "$231,000," strike out the period, insert a colon, and add the following: "*Provided*, That no part of this sum shall become available until regulations shall prescribe that parties connecting with such sewer system shall bear the full expense of all such connections, including excavation."

Mr. CHINDBLOM. Mr. Chairman, I make a point of order on that.

The CHAIRMAN. On what ground?

Mr. CHINDBLOM. On the ground it is legislation and not a limitation.

Mr. BLANTON. Oh, it is a limitation, pure and simple. I would like to be heard, Mr. Chairman.

Mr. CHINDBLOM. The language itself, as the Chair well knows, must show a limitation on the expenditure.

Mr. BLANTON. Mr. Chairman, here is the situation, I will state for the benefit of the committee, that ought to be interested in this just as much as I am. At present, just to illustrate the matter and show you that it does retrench, here is a 20-foot lot that the gentleman from Illinois [Mr. CHINDBLOM] may own. He builds a residence on it and wants to connect with this Government sewer system. He does not make the connection. He applies to the District government down here at the Municipal Building. They send their plumbers up there and their dirt diggers and make all that excavation themselves out into the street, sometimes costing $200 or $300, if you please; they lay all the pipes, they make all the plumbing connections, sometimes costing quite a large sum, and for all of that they charge the gentleman from Illinois [Mr. CHINDBLOM] only $30, or $1.50 a front foot for the 20 feet, in a flat-rate charge. That is the total charge for making such a connection.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BEGG. I just want a little information. I just asked the chairman of the committee about this matter. I may have misunderstood the gentleman. If they are running a sewer down a street, that, of course, the city and the Federal Government pays for?

Mr. BLANTON. Yes.

Mr. BEGG. Now, do you mean to say that if I own a lot and want to tap the main sewer the city pays the bill?

Mr. BLANTON. Yes; and you pay just $30 for a 20-foot lot.

Mr. BEGG. The chairman of the committee says otherwise.

Mr. BLANTON. The chairman does not know. I have been down to the District Building myself and have found out. I have Auditor Donovan's statement in writing over his signature that that is the case—a man with a 20-foot front lot pays $1.50 a front foot, which would be $30.

Mr. DAVIS of Minnesota. That is for the main sewer laid in the street.

Mr. BLANTON. That is for connecting the premises with that sewer to obtain service.

Mr. DAVIS of Minnesota. Where the property owner wants to connect with that sewer in order to connect it with his house he pays all the expense.

Mr. BLANTON. I have Auditor Donovan's statement to the effect that the property owner does not, but pays just $30 where it is a lot 20-foot front.

Mr. BEGG. Will the gentleman read his statement?

Mr. BLANTON. I have not the letter here. It is in my office. I have called attention to this a dozen times here on the floor.

Mr. BEGG. I think the gentleman is wrong, and the chairman of the committee says he is wrong.

Mr. BLANTON. That just shows how little some of our friends know about the District business. Let me tell you also about the water system. When the gentleman from Ohio [Mr. BEGG] and the gentleman from Illinois [Mr. CHINDBLOM] and the gentleman from Minnesota [Mr. DAVIS] have their 20-foot lots here, if they want to connect with the water system to get the water to their private family residence, with a 20-foot lot they pay $2 a front foot, which is only $40. The District and Government pay all the balance.

Mr. BEGG. What is the $2 for?

Mr. BLANTON. It is just a straight, flat-rate charge, a lump-sum charge of $2 per front foot.

Mr. BEGG. What for?

Mr. BLANTON. It is a bagatelle of an excuse for getting a connection and having the District and Government pay for it. That is the kind of benefits these people living here have been getting for 25 or 30 years.

Mr. BEGG. Will the gentleman yield again?

Mr. BLANTON. Yes. Two dollars a front foot is all they pay for getting that water connection.

Mr. BEGG. Wait until I ask the question, please. Does the city pay for the water pipe or the sewer pipe or whatever it is that is used?

Mr. BLANTON. The city and the Government pay all of it, except the $1.50 and the $2 per front foot for making the respective connections.

Mr. BEGG. For piping it into the house, I suppose?

Mr. BLANTON. Yes.

Mr. BEGG. And pay for the plumbing, too?

Mr. BLANTON. All of it and the excavation, and charges $1.50 per front foot for sewer and $2 per front foot for water connection.

Mr. BEGG. That is so ridiculous——

Mr. BLANTON. I know it sounds ridiculous, and it is ridiculous, and that is the reason I am calling attention to it. It is something that has been going on here that ought to be stopped. This is the reason the people here in the District kick when you try to make them pay more taxes. They have been getting these things almost free for years.

Mr. BEGG. Now, will the gentleman cool down and not get so excited and listen to my question until I am through so he will know what I am asking?

Mr. BLANTON. I am going to send over and get Auditor Donovan's letter and ask permission to put it in the RECORD to-night.

Mr. BEGG. Let us pass this particular paragraph until you get that.

Mr. BLANTON. Mr Chairman, I ask unanimous consent to put in the RECORD in connection with my remarks, Mr. Donovan's letter showing that these very conditions exist here.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks——

Mr. BLANTON. All I want is to put in the RECORD Mr. Donovan's letter if I can find it in my office.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CHINDBLOM. Mr. Chairman, if the point of order leads to any particular discussion, I am willing to withdraw it, but without prejudice.

LETTER FROM AUDITOR DONOVAN

The following is the letter referred to as received from Auditor Donovan:

OFFICE OF THE AUDITOR OF THE DISTRICT OF COLUMBIA,
Washington, January 25, 1924.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: In response to your request of several days ago I take pleasure in furnishing you the information you desire.

Prior to the passage of the Borland amendment property owners were subject to an assessment for sidewalks, alleys, and curbs to the extent of one-half of the total cost. This is also the law at the present time. Property of the United States and the District of Columbia is not subject to assessment for special improvements. Roadway improvements were first charged against property owners by the terms of the Borland law. Service sewers and water mains were and are now also charged in part against abutting property.

The half cost of roadway pavement immediately abutting the frontage of assessable property, excluding street intersections between building lines of the intersecting streets and excluding any pavement area beyond a line 20 feet abutting the property, is assessed as a special improvement tax against such property. The cost of any pavement area in excess of 40 feet is borne by the United States and the District of Columbia in the proportion that each is charged with the appropriation. On streets where there are street railway tracks the railway companies are chargeable under the law with the whole cost of paving between the tracks and 2 feet exterior to the outer rail of the tracks. The property of the United States and the District of Columbia is not subject to assessment under the Borland law.

For service sewers the law at present provides for a flat rate assessment of $1.50 per front foot, with certain deductions made for corner property. This rate represents approximately 37 per cent of the cost of the work.

The special assessments received for the several forms of improvements indicated are paid into the Treasury of the United States, 60 per cent to the credit of the District of Columbia and 40 per cent to the credit of the United States, this being the proportion that each bears of the appropriations for the improvements.

For water mains the law provides a special assessment of $2 per front foot, and this amount represents approximately 66 per cent of

the cost of the work. Water-main assessments when received are paid into the Treasury of the United States to the credit of the water-department fund.

At the time of the passage of the Borland law approximately 90 per cent of the streets within the limits of the old city of Washington were already paved, and many of the streets outside of those limits also were paved. I am unable at this time to give you an idea of the proportion of the streets outside of the original city of Washington that were paved when the Borland law was passed.

Not only new paving, but the resurfacing and replacing of pavements is chargeable against abutting property under the Borland law.

The Knox case in the court of appeals involved the question of the application of the Borland law to outlying sections of the District of Columbia and to the particular matter of paving Naylor Road, near the eastern boundary of the District of Columbia. The Knox property was agricultural property. There were no settlements in the immediate vicinity. There were no sewers, water mains, electric or gas lights, curbs, sidewalks, or building lines, and no other conditions which might be called town or village conditions. The court of appeals held in that case that because of the language of the law Congress intended it to apply to those settlements or sections which exhibited town or village conditions, and that the law did not apply to situations like those presented in the Knox case. The assessments were therefore ordered to be canceled. Similar cases are now pending in the courts in regard to other localities, which are claimed to present conditions that existed in the Knox case.

The following appropriations were made by Congress for repair and maintenance of streets during the fiscal years 1921, 1922, 1923, and 1924, each of such appropriations being charged 60 per cent against the revenues of the District of Columbia and 40 per cent against the revenues of the United States:

Fiscal year 1921	$575,000
Fiscal year 1922	575,000
Fiscal year 1923	460,000
Fiscal year 1924	550,000
Total	2,160,000

The following appropriations covering the same period have been made for repairs to suburban streets and roads, payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the revenues of the United States:

Fiscal year 1921	$250,000
Fiscal year 1922	250,000
Fiscal year 1923	225,000
Fiscal year 1924	275,000
Total	1,000,000

The following appropriations have been made for the same period for street improvements, including the paving and grading of streets, payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the revenues of the United States:

Fiscal year 1921	$614,200
Fiscal year 1922	144,840
Fiscal year 1923	233,500
Fiscal year 1924	573,300
Total	1,565,000

The following appropriations have been made for construction and maintenance of sewers for the fiscal years 1921, 1922, 1923, and 1924, payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the revenues of the United States:

Fiscal year 1921	$515,000
Fiscal year 1922	523,000
Fiscal year 1923	502,000
Fiscal year 1924	690,000
Total	2,231,000

I regret very much that it has not been practicable for me to furnish you with this information at an earlier date. In the event that you desire any more details regarding the several matters herein, I shall be very glad to respond to such a request from you.

Very truly yours,

D. J. DONOVAN,
Auditor, District of Columbia.

Mr. CHINDBLOM. Mr. Chairman, I will withdraw the point of order without prejudice.

The CHAIRMAN. The Chair is ready to rule; but if the gentleman wishes to withdraw the point of order, he can do so.

Mr. CHINDBLOM. If the Chair is ready to rule, I would like to have the ruling.

The CHAIRMAN. The Chair will rule as soon as the Clerk has the amendment in form.

Mr. CHINDBLOM. While the matter is being prepared I want to say that "the gentleman from Illinois," with his 20-foot lot in the District, is altogether hypothetical. The "gentleman from Illinois" would not know what to do with a 20-foot lot if he had it. [Laughter.]

The CHAIRMAN. This amendment provides that no part of this sum shall become available until regulations shall prescribe that parties connecting with such sewer system shall bear the full expense of all such connection, including the expense of excavation.

That is intended to be a limitation. Under the ordinary rules applicable to these matters a limitation is proper only when it reduces the amount, puts a proper limitation on expenditures of amount, if it does not require some affirmative act on the part of some executive officer or change exitsing law. If it does either of these two things, it is not a proper limitation.

Mr. BEGG. The gentleman from Illinois made a point of order against it, but I think I can convince the Chair that it is a change of existing law and hence legislation.

The CHAIRMAN. The Chair does not disagree with the gentleman. It is admitted to be legislation, but it is contended that it is a limitation and therefore comes within the rule.

Mr. BLANTON. It comes within the Holman rule.

The CHAIRMAN. That was not stated by the gentleman from Texas; the Chair understood the gentleman to contend that it was a proper limitation.

Mr. BLANTON. No; I contend that it retrenches expenditures, for it makes them pay, where we are now paying for it out of the Treasury.

The CHAIRMAN. In what manner does it reduce the item to which it is offered as an amendment? The item authorizes the expenditure of $231,000. There is nothing in the amendment making any change in the amount of the appropriation.

Mr. BLANTON. Out of that $200,000 will be made connections which the individual will pay for.

The CHAIRMAN. The item in the bill under consideration appropriates for cleaning and repairing sewers and basins, including the purchase of two motor field wagons, and so forth, for the operation and maintenance of the sewage pumping service, and so forth, $231,000. The gentleman from Texas offers an amendment which provides that none of this sum shall be available until certain regulations have been made by the District commissioners, and the consequence of such an amendment would be that after they had made such regulations the amount of $231,000 is available and can be used. Therefore it does not retrench expenditures.

Mr. CHINDBLOM. And it is not germane; it relates to sewer-pipe extension. This does not relate to the extension of sewers, it is for the cleaning of sewers.

The CHAIRMAN. The Chair is of the opinion for several reasons that the point of order ought to be sustained, and so rules.

The Clerk read as follows:

For continuing the construction of the Upper Potomac, main interceptor, $20,000.

Mr. BLANTON. Mr. Chairman, I offer an amendment as a new paragraph.

The CHAIRMAN. Will the gentleman put it in writing.

Mr. BLANTON. Mr. Chairman, while I am putting this in writing I ask unanimous consent to pass by the item with the privilege of returning to it after the amendment is completed.

The CHAIRMAN. Without objection, the item will be passed over with the privilege of returning to it when the gentleman completes his amendment. The Clerk will read.

The Clerk read as follows:

To enable the commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and ashes in the District of Columbia (no contract shall be let for the collection of dead animals), including inspection and allowance to inspectors for maintenance of horses and vehicles or motor vehicles used in the performance of official duties, not to exceed for each inspector $20 per month for a horse and vehicle, $26 per month for automobiles, and $13 per month for motor cycles; fencing of public and private property designated by the commissioners as public dumps; and incidental expenses, $900,000: *Provided*, That any proceeds received from the disposal of city refuse or garbage shall be paid into the Treasury of the United States to the credit of the United States and the District of Columbia in the same proportions as the appropriations for such purposes are paid from the Treasury of the United States and the revenues of the District of Columbia: *Provided further*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business or from apartment houses of four or more apartments in which the landlord furnishes heat to tenants.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 29, line 6, after the word "Columbia," strike out the words "in the same proportions as the appropriations for such purposes are paid from the Treasury of the United States and the revenues of the District of Columbia," and insert the words "in the proportion required by law."

Mr. CRAMTON. This is the same amendment that we have been carrying through the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken and the amendment was agreed to.

The Clerk read as follows:

PUBLIC PLAYGROUNDS

For personal services in accordance with the classification act of 1923, $71,270; for services of extra directors at not exceeding 35 cents per hour, $800; for services of extra watchmen at not exceeding 25 cents per hour, $600; in all $72,670: *Provided*, That employments hereunder other than of persons paid by the hour shall be distributed as to duration in accordance with the District of Columbia appropriation act for the fiscal year 1924.

Mr. BEGG. Mr. Chairman, I move to strike out the last word. Who are the extra watchmen, what do they do, and when are they on duty?

Mr. DAVIS of Minnesota. They are on duty quite a number of months in the year. Mrs. Rhodes is the foreman of the whole thing.

Mr. BEGG. As director or watchman?

Mr. DAVIS of Minnesota. Supervisor of playgrounds.

Mr. BEGG. What is a watchman of playgrounds?

Mr. DAVIS of Minnesota. There is a watchman and a director as to how it shall be done. The watchman stays there an hour, sometimes two, and sometimes not more than 10 minutes. He is there to see that there is nothing going wrong on the playgrounds.

Mr. BEGG. Mr. Chairman, I understand the purpose of the director, but I do not understand the need for a watchman on the playgrounds. What is he watching for?

Mr. DAVIS of Minnesota. I could not tell the gentleman, except to say that after the playgrounds are shut up he watches to see that nobody goes there and interferes with them. The gentleman knows that the playgrounds have swings and things of that sort. That is what the watchman is for.

Mr. BEGG. He goes on duty when the director goes off?

Mr. DAVIS of Minnesota. Yes.

Mr. BEGG. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

In all, for playgrounds, $151,270; of which $144,270 shall be paid wholly out of the revenues of the District of Columbia and $7,000, or so much thereof as may be expended, for the purchase of land for playground purposes, shall be paid 40 per cent out of the Treasury of the United States and 60 per cent out of the revenues of the District of Columbia.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 30, line 20, after the figures "$151,270," strike out the remainder of the paragraph and insert in lieu thereof a period.

Mr. CRAMTON. Mr. Chairman, the amendment is simply to carry out the change made in the fiscal relations. Of course, if the amendment to section 1 is continued, it will not be necessary to continue that any more.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. No newspaper in Washington ought ever hereafter to condemn the gentleman from Michigan [Mr. CRAMTON] for any amendment that he might offer to a bill as unfriendly to the District. The amendment that he has had put on this bill is not unfriendly to the District. It requires this Government to pay $8,000,000 a year. We paid over $400,000 for that playground out there opposite Mrs. Henderson's on Sixteenth Street—100 per cent out of the Treasury—and we have paid over $150,000 since to put that wall there and improve it. And for other playgrounds which have been bought and paid for partly by the Government we have spent huge sums.

The law now is that a playground shall be paid for wholly out of the District revenues, and this bill is merely providing for the present law, with the exception of $7,000. It provides that the $144,270 shall be taken wholly out of the revenues of the District, but the Cramton amendment would change it. That is in accordance with the present law, but it is fudging over the present law by providing that $7,000 shall be under this pro rata plan. The gentleman from Michigan wants to change that law. He seems to want to go back to the old law, having the Government continue to buy the playgrounds for the 70,000 children of the city of Washington. That is not right. I do not know why he has changed front on this situation so suddenly, unless possibly he does not understand the fact that that law exists. He may be squirming under this criticism that has lately been made of him. I did not think that my friend from Michigan would squirm, when he has made so many good fights for prohibition and had the wets attack him all over the country. He ought to be impervious to these attacks by newspapers by this time. I do not think it is right for this little handful of Members to change that law, although I did not want to make the point of order against it. People may as well find out where we stand on this proposition. If you are going to have the taxpayers of this Government pay even for the playgrounds for the children of the city of Washington, the taxpayers ought to know it.

Mr. CRAMTON. Mr. Chairman, I have never believed until to-day that one Member of the House could contribute so much misinformation as the gentleman from Texas [Mr. BLANTON] has succeeded in doing to-day. As a matter of fact, the amendment which I offered, the $8,000,000 proposition, provides that everything above that shall be paid by the District, and if that becomes a law that will include this $144,270, which is consuming the gentleman's soul in anguish. If I did not offer the amendment to strike out this language, the $7,000 would be still a charge in part upon the Treasury in addition to the $8,000,000, and the first part of it would be entirely unnecessary, and hence the amendment that I have offered.

The gentleman thinks that the $8,000,000 would not accomplish anything for the protection of the Federal Treasury. I am not desirous of greatly reducing the Federal contribution, but the estimates that went to the Budget this year, if they had been approved by the Budget, would have cost the Treasury $13,000,000 instead of $8,000,000. Those expenditures and those improvements ought to be made, and I am providing a way by which those expenditures and improvements can be made without increasing the $8,000,000 of expenditure from the Federal Treasury.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, at this point I offer the amendment which the committee granted me leave to offer a few minutes ago.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 27, line 19, insert a new paragraph as follows:

"That no part of any appropriation made under this head, sewers, shall be paid in, covering the expenses incident to a private-property owner having his residence or business property connected up with said sewer system, in order to obtain service, but that all of such expenses shall be paid by said private-property owner."

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that this is not in the proper place. This has nothing to do with continuing the construction of the Upper Potomac main interceptor, which is the paragraph immediately preceding it.

Mr. BLANTON. If the gentleman from Illinois does not want the people to pay their share of sewer connections, it is all right with me.

Mr. CHINDBLOM. I am willing that the people of the District shall pay their share of the expenses of this Government, but I want it done in a regular and orderly way. I think that a proposition of this sort should be considered by the proper committee.

Mr. BLANTON. That is a limitation pure and simple, and it retrenches expenditures.

Mr. CRAMTON. It may interest the gentleman from Texas to know that a Member of the House just called the auditor's office and he finds that the gentleman from Texas is in error.

Mr. BLANTON. What is the situation?

Mr. CRAMTON. I have not talked with him.

Mr. BLANTON. Will the gentleman who has talked with him state it?

Mr. CRAMTON. He seems to have stepped out.

Mr. BLANTON. I have the auditor's letter in black and white.

Mr. DAVIS of Minnesota. The auditor denies the statement the gentleman made a few minutes ago.

Mr. BLANTON. He can not deny his own signature.

Mr. DAVIS of Minnesota. The law absolutely denies it, too.

Mr. BLANTON. We will see when I get the auditor's letter.

The CHAIRMAN. The Chair is of opinion that the first part of this amendment is in order as a limitation and that the latter part of it is faulty. The Chair will read the amendment:

That no part of any appropriation made under this head, sewers, shall be paid in covering the expenses incident to a private property owner having his residence or business property connected up with said sewer system in order to obtain service.

Now, that plainly is a limitation. But this following language is not—

But that all of such expenses shall be paid by said private property owner.

That is legislation, and the point of order being made on the whole amendment it must be sustained.

Mr. BLANTON. Mr. Chairman, I reoffer the amendment with the other part stricken out.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 27, line 19, insert a new paragraph:

"That no part of any appropriation made under this head 'sewers' shall be paid in covering the expenses incident to a private property owner having his residence or business property connected up with this sewer system in order to obtain service."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the Chair announced that the "noes" seemed to have it.

On a division (demanded by Mr. BLANTON) there were ayes 3, noes 13.

So the amendment was rejected.

The Clerk read as follows:

For alterations in police-patrol signal system in the second, eighth, and tenth police precincts, rearrangement of circuits and reconnection of certain boxes because of changes in boundaries of those precincts incident to establishment of the new twelfth police precinct, including the purchase and installation of necessary poles, cross arms, insulators, pins, braces, wire, cable, conduit connections, posts, instruments, extra labor, and other necessary items, to be immediately available, $3,120.

Mr. BLANTON. Mr. Chairman, it is Saturday evening and 4 o'clock, and I think we need a new shift, and I make the point of order of no quorum.

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] Thirty-eight Members are present, not a quorum.

Mr. BLANTON. Mr. Chairman, I withdraw it; we have an understanding——

SEVERAL MEMBERS. Too late.

Mr. BLANTON. Mr. Chairman, I move that the committee do now rise, and on that I ask for tellers.

Mr. AYRES. Mr. Chairman, I move a call of the House.

The CHAIRMAN. The gentleman from Texas moves the committee do now rise.

The question was taken, and the Chair announced the noes seemed to have it.

Mr. BLANTON. Mr. Chairman, I ask for tellers.

The CHAIRMAN. Three gentlemen have arisen, not a sufficient number; and the committee refuses to rise.

Mr. BEGG. Mr. Chairman——

Mr. AYRES. I withdraw my request.

Mr. BEGG. Can not we come to some amicable agreement?

Mr. AYRES. We can; we can go ahead with this bill without killing so much time. We have been on this bill for the last four days and have gotten through 26 pages, and for one I want it understood we are going to proceed with it, and if I could have my way we would stay here until 11 o'clock at night.

Mr. BEGG. Some of us are trying to help the gentleman.

Mr. AYRES. I appreciate the fact that some are and also that some are not.

The CHAIRMAN. The Clerk will call the roll.

Mr. BEGG. Mr. Chairman, I ask for a division on that vote.

The CHAIRMAN. There is no division on the question of tellers. Tellers were demanded, and not a sufficient number arose.

Mr. BEGG. On the motion that the committee rise I ask for a division.

Mr. CRAMTON. I make the point of order that the roll call has commenced.

The CHAIRMAN. The Committee voted; some gentleman asked for tellers and only three gentlemen rose, not a sufficient number and tellers were refused. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abernethy	Fish	McClintic	Rogers, N. H.
Aldrich	Frear	McDuffie	Romjue
Anderson	Fredericks	McFadden	Rosenbloom
Anthony	Freeman	McKenzie	Rubey
Bacharach	Frothingham	McLaughlin, Nebr.	Sabath
Bankhead	Funk	McNulty	Schneider
Barkley	Gallivan	McSweeney	Scott
Beck	Garber	Magee, Pa.	Sears, Fla.
Bell	Geran	Major, Ill.	Sears, Nebr.
Berger	Gifford	Manlove	Shreve
Bixler	Glatfelter	Mead	Sites
Black, N. Y.	Goldsborough	Merritt	Snyder
Bowling	Greene, Mass.	Michaelson	Sproul, Ill.
Boylan	Greenwood	Miller, Ill.	Stalker
Britten	Griest	Mills	Stengle
Browne, N. J.	Hardy	Montague	Strong, Pa.
Browne, Wis.	Harrison	Mooney	Sullivan
Brumm	Hawley	Moore, Ga.	Sweet
Buchanan	Hayden	Moore, Ill.	Swoope
Burdick	Hersey	Morgan	Tague
Butler	Hoch	Morin	Taylor, Colo.
Campbell	Holaday	Morris	Taylor, Tenn.
Carew	Hooker	Morrow	Thomas, Okla.
Carter	Howard, Nebr.	Mudd	Thompson
Casey	Howard, Okla.	Murphy	Treadway
Celler	Hull, William E.	Nelson, Wis.	Tucker
Clague	Johnson, Ky.	Newton, Minn.	Tydings
Clark, Fla.	Johnson, Tex.	Nolan	Underhill
Cole, Ohio	Johnson, Wash.	O'Brien	Upshaw
Connolly, Pa.	Jost	O'Connell, R. I.	Vaile
Corning	Kahn	Oliver, Ala.	Vare
Crisp	Kelly	Park, Ga.	Vestal
Croll	Kendall	Parker	Vinson, Ga.
Cummings	Ketcham	Peavey	Voigt
Curry	Kiess	Peery	Ward, N. C.
Davey	Kindred	Perlman	Ward, N. Y.
Deal	Kunz	Phillips	Wason
Dickinson, Mo.	Kurtz	Porter	Watson
Dickstein	Langley	Pou	Weller
Dominick	Lanham	Prall	Welsh
Doyle	Larson, Minn.	Quayle	Wertz
Drane	Leatherwood	Ransley	Williamson
Drewry	Leavitt	Reece	Winslow
Eagan	Lindsay	Reed, Ark.	Winter
Edmonds	Lineberger	Reed, N. Y.	Wood
Fairchild	Linthicum	Reed, W. Va.	Wurzbach
Fairfield	Little	Reid, Ill.	Wyant
Favrot	Logan	Robinson	Yates
Fenn	Luce	Rogers, Mass.	Zihlman

The committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 8839, finding itself without a quorum, under the rule he caused the roll to be called, whereupon 235 Members answered to their names, a quorum, and he reported the list of absentees for entry in the Journal.

The SPEAKER. The committee will resume its session.

Mr. LOZIER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Missouri rise?

Mr. LOZIER. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

PUBLIC SCHOOLS

Salaries: Superintendent, $6,000; 2 assistant superintendents, at $3,750 each; business manager, to be in charge of the business administration of the public-school system, and to be appointed by and responsible to the Commissioners of the District of Columbia, $3,750; director of intermediate instruction, 13 supervising principals, supervisor of manual training and director of primary instruction, 16 in all, at a minimum salary of $2,400 each; in all, $55,650.

Mr. BLANTON. Mr. Chairman, I make a point of order——

Mr. HUDSON. Mr. Chairman, I reserve a point of order.

Mr. BLANTON. I make a point of order to the language beginning in line 16, on page 33, reading as follows:

Business manager, to be in charge of the business administration of the public-school system, and to be appointed by and responsible to the Commissioners of the District of Columbia, $3,750.

That is new legislation, a new position, unauthorized by law. If, however, the school bill were passed and had become a law, this would be in order.

The CHAIRMAN. Let the Chair inquire of the gentleman from Texas, are the officers named in this particular paragraph statutory officers?

Mr. BLANTON. Yes. This particular position is provided for in the school bill which the House passed the other day,

but it has not been reported out of the Senate committee, as I understand; or if it has been, it has been in the last day or so.

Mr. HUDSON. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. HUDSON. Would the gentleman reserve his point of order if the position were changed so that he could be appointed by and be responsible to the Board of Education?

Mr. BLANTON. Well, I will say this to the gentleman: If the school bill passes—and I understand it will pass—it is going to be necessary for the Committee on Appropriations to bring in a deficiency bill not only for the school bill but also for the police and fire bill when it becomes a law. So we might just as well provide for all of these positions after the school bill passes. There is no use in carrying this position in this bill.

Mr. HUDSON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HUDSON. I agree with the gentleman as to his point of order, but we might as well agree here.

Mr. BLANTON. These matters all have to be threshed out after the Senate passes on the school bill.

The CHAIRMAN. Does the gentleman from Minnesota agree that these are statutory provisions?

Mr. DAVIS of Minnesota. I will concede that this is subject to a point of order. But it is the most important thing in this bill. Heretofore we have never had a business manager. The school business is tangled up because we have no efficient man to attend to the business management of the schools.

The CHAIRMAN. The point of order is sustained.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: Page 33, at the end of line 22, insert: "*Provided*, That no part of this sum shall be available for the payment of the salaries of any superintendent, assistant superintendent, director of intermediate instruction, or supervising principal who permits the teaching of partisan politics, disrespect to the Holy Bible, or that ours is an inferior form of government."

Mr. BLANTON. Mr. Chairman, I shall not make a point of order to that.

Mr. SUMMERS of Washington. Mr. Chairman, this is a limitation, and of course it is in order.

I think everyone will agree with me that no teaching of this kind should be permitted in the schools of this District nor in the public school of any city or town in any State in the Union.

I have spoken to a number of Members, and it is an exception to find one who does not say that his children have come to him with complaints in regard to one or the other of the points mentioned in this amendment.

In the interest of the highest possible standard of education in this city, and because I believe that the schools here should be as nearly as possible a model for those throughout the country, I think this thing ought to be stopped, and this amendment will have that effect.

If it should be contended that no one is guilty of permitting this, then the amendment will do no harm. If they are guilty of permitting it knowingly, then it should apply.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes; I yield.

Mr. CONNALLY of Texas. Has the gentleman information that such things are going on in the schools which his amendment is intended to reach?

Mr. SUMMERS of Washington. I have.

Mr. CONNALLY of Texas. Who will pass upon the question as to whether this is happening or not? Who will be the arbiter?

Mr. SUMMERS of Washington. The school board.

Mr. CONNALLY of Texas. Will not the man who issues or pays these warrants be the one? This being a limitation on this appropriation, will they not pass this question up to the accounting officers of the Government?

Mr. SUMMERS of Washington. All right.

Mr. CONNALLY of Texas. In a practical way, I would like to know how that is going to work.

Mr. SUMMERS of Washington. It might be up to the accounting officers. Anyhow, there would be a way then by which one might file a complaint and stop the payment of salaries to anyone who has been permitting this pernicious teaching. It has unquestionably been going on for years, and is going on in this present year.

Mr. CONNALLY of Texas. Does not the gentleman think that the Board of Education can control this matter? Does the gentleman think it wise to put a limitation upon the appropriation?

Mr. SUMMERS of Washington. Yes, I do; because I know of no other way to reach it. This will stop it.

Mr. CONNALLY of Texas. An act of Congress would reach it in the regular way.

Mr. SUMMERS of Washington. There is no other way that I know of whereby we can reach it in a practical manner. In the interest of our children and of the Government itself this teaching must stop.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

Mr. LOWREY. Mr. Chairman, may we have it again reported?

The CHAIRMAN. Without objection, the amendment will again be reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

The Clerk read as follows:

Principals of junior high schools, eight at $2,700 each; seven assistant principals, who shall be deans of girls of the Central High School, Eastern High School, Dunbar High School, Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School, at $2,400 each: *Provided*, That said assistant principals shall be placed at a basic salary of $2,400 per annum and shall be entitled to an increase of $100 per annum for five years.

Mr. BLANTON. Mr. Chairman, I make a point of order against the legislation that is in this paragraph, as follows: "Seven assistant principals, who shall be deans of girls of the Central High School, Eastern High School, Dunbar High School, Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School." In that connection I will state that it is legislation unauthorized by law. If the teachers' salary bill had become a law this would be authorized, and when the teachers' salary bill finally becomes a law it is going to require that all of those salaries be taken care of in a deficiency bill, so there is no use of providing here for these new positions. In other words, there are four new assistants here provided, and the present law permits only three assistants. When the teachers' salary bill passes it will permit seven, but that bill has not yet passed the Senate.

The CHAIRMAN. Which of these schools are not authorized by law?

Mr. BLANTON. Thefollowing are not authorized by law, and they are the only ones I am attempting to reach: Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School. The only part I care to make a point of order against is that relating to the word "seven" when it ought to be "three" and those four high schools named above, because they are new positions that are created by the school-teachers' salary bill which is now before the Senate. There is no use of putting them in until the bill has passed the Senate and becomes law. The Senate might change the bill and restrict the number to six or less. A fight is now being made on this very item by one of the Senators who is on the Senate District Committee. We do not know what the Senate is going to do, so what is the use of putting it in this bill until the legislative bill passes.

The CHAIRMAN. Is the point of order conceded by the chairman of the subcommittee?

Mr. DAVIS of Minnesota. I concede the point of order.

The CHAIRMAN. The point of order is sustained against the four named by the gentleman from Texas, the Business High School, Western High School, McKinley Manual Training High School, and Armstrong Manual Training High School. The rest of the language remains. Without objection the word "seven" will be changed to "three."

There was no objection.

The Clerk read as follows:

In all, for teachers, $3,459,740.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. SUMMERS of Washington offers the following amendment: Page 36, at the end of line 17, insert: "*Provided*, That no part of this sum

shall be available for the payment of the salary of any teacher who teaches partisan politics, disrespect for the Holy Bible, or that ours is an inferior form of government."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For contingent expenses, including furniture and repairs of same, pay of cabinetmaker, stationery, printing, ice, and other necessary items not otherwise provided for, including an allowance of not exceeding $312 per annum for a motor vehicle for each of the superintendents of schools, the superintendent of janitors, the two assistant superintendents, the director of primary instruction, the school cabinetmaker, the supervising principal in charge of the white special schools, the chief medical and sanitary inspector of schools, and the supervising principal of the colored special schools, and including not exceeding $3,000 for books of reference and periodicals, $76,040: *Provided*, That a bond shall not be required on account of military supplies or equipment issued by the War Department for military instruction and practice by the students of high schools in the District of Columbia.

Mr. BEGG. Mr. Chairman, I reserve a point of order on the proviso for the purpose of asking a question. Has it been customary heretofore to have a bond?

Mr. DAVIS of Minnesota. The law requires that they shall put up a bond.

Mr. BEGG. Then, what is the reason for providing that they shall not put up a bond?

Mr. DAVIS of Minnesota. It would take $600 to pay the premium on this bond, but we want to save that and it does not amount to anything at all.

Mr. BEGG. I withdraw the reservation.

The Clerk read as follows:

For completing the construction of a building to replace the present John F. Cook School, $150,000.

Mr. BYRNS of Tennessee. Mr. Chairman, I move to strike out the last word. I was somewhat surprised when I learned that there has been no Budget estimate for the construction of new schools in the District of Columbia. From what has been told me by citizens who live here and who have children in these public schools there is, particularly in certain sections, a very crowded condition, and in a sense children are being denied proper school facilities. That is a condition which I do not think ought to exist in the National Capital.

Mr. DAVIS of Minnesota. It does not exist.

Mr. BYRNS of Tennessee. I beg the gentleman's pardon. I am going to cite the gentleman to a case where it does exist and I shall show facts which show that that condition exists.

Mr. DAVIS of Minnesota. It may exist in one or two places.

Mr. BYRNS of Tennessee. That is the point. If that is true, the Congress should provide relief for those one or two places, and that is the point I am making.

Mr. DAVIS of Minnesota. They have asked for no new school buildings at all.

Mr. BYRNS of Tennessee. I am not criticizing the gentlemen or the committee, but I am criticizing the commissioners and the Board of Education, if they are the ones who should submit such an estimate. I stated I was surprised there had been no estimate made for the construction of new schools, and it seems to me it is a neglect that ought to be called to the attention of those in authority here in the District. The Government pays 40 per cent of the expenditures of the District. Other cities do not have that contribution to their expenditures. Taxes are less in the District, as has been stated here many times, far less, than they are in any other city in the United States, where not only city taxes have to be paid but State and county taxes as well, and yet here in the National Capital we are confronted, as the gentleman says—in one or two sections, at least—with a situation that ought not to exist, because certainly the city of Washington ought to be a model for city governments throughout the United States, and certainly it ought not to be said that here in the National Capital we are denying the school children of this District proper school facilities. I want now to call your attention to a specific instance.

Mr. DAVIS of Minnesota. May I interrupt the gentleman just a moment?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. DAVIS of Minnesota. I will say that the construction of the buildings in this bill and what they are about to put into effect in less than three or four months will provide for 9,888 elementary pupils more than we have now and 3,000 more high-school children, so that the chances are 10 to 1 that the places the gentleman is speaking about will be amply taken care of in two or three months. One hundred and sixty-four additional rooms will be provided in this bill.

Mr. BYRNS of Tennessee. I beg the gentleman's pardon; it will not relieve the situation in the locality to which I am going to refer now. Children ought not to be required to go from one end of this District to the other in order to get to school.

We know that the city of Washington in the last few years has grown as rapidly, if not more rapidly, than any other city in the Nation of its size, and I dare say there are few other cities where in the last three or four years they have not started the construction of additional school buildings.

This is a situation which has been called to my attention by a citizen of this community. He has no selfish interest, I want to say, because his youngest child is now in the high school, but as a citizen of the community he is interested in the children of the community and is interested in seeing proper school facilities provided. I want to read to you a statement which has been submitted to me which will show you that at least in this rapidly growing section in Cleveland Park the school facilities are being neglected, and those in authority, who ought to have submitted estimates, have neglected their duty in failing to come to Congress and submit estimates for the erection of at least one new school building in this particular locality.

Mr. BEGG. Will the gentleman yield before reading that particular statement?

Mr. BYRNS of Tennessee. I yield.

Mr. BEGG. Does the gentleman think it is the business of the commissioners or the Board of Education or the Appropriations Committee to lay out a policy of new buildings, or does that belong to some committee of the House like the District Committee? I admit that what the gentleman is saying is absolutely true; in fact, I have made a statement along the same line; but who is at fault?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BEGG. I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. I said at the outset that I was not criticizing the committee of which I happen to be a member, because the Committee on Appropriations has always followed the policy, and must follow the policy, as the gentleman knows, of only acting on the estimates submitted. I am not criticizing particularly the District Committee.

Mr. BEGG. Whose business is it?

Mr. BYRNS of Tennessee. I am criticizing whoever it is in this District whose duty it is to come to Congress and tell Congress what is necessary in order to make proper provision for these children. I do not know whether it is the Board of Education or the commissioners, but somebody is certainly at fault.

Mr. DAVIS of Minnesota. It is not the fault of the committee.

Mr. BYRNS of Tennessee. I am sure of that.

Mr. BEGG. The gentleman knows that there is a whole list of new buildings in this bill, all of which could be knocked out on a point of order if anybody cared to make it, and if the Committee on Appropriations can not do this, what committee ought to take that responsibility?

Mr. BYRNS of Tennessee. The District Committee, of course, is the committee that should make the authorization.

Here is a case which I am going to call to your attention where I do not think legislation is necessary. All that is necessary is for somebody to come and tell the Committee on Appropriations what amount of money is necessary to begin the construction of a school there, and I think Congress would then have the authority to make the appropriation.

Mr. FREE. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. FREE. Is not it a fact that they have just completed a building in Cleveland Park and yet there are not facilities for the children to go to school. My two children are only permitted to go to school half a day because in that locality they have not buildings enough to take care of all of the children. My children have to stay away half a day or else go to some other part of the city.

Mr. BYRNS of Tennessee. The gentleman is correct and in accord with the statement that I am going to read. That is the locality I had in mind, and the reason for my submitting these remarks. They talk about putting up buildings. Do you know that in the Woodley Park section, the vicinity of this school, in 1921 they made an appropriation of $40,000 to buy a lot upon which to build a school building. That was three

years ago. The lot is there without having any building erected upon it. Some one in this District charged with the official duty of looking after the facilities for school children has failed to come here and tell us what is necessary to put a building on that lot. I say there is gross neglect in that particular locality of the needs of the school children of this District.

Mr. DAVIS of Minnesota. If the gentleman will yield, I want to say in that connection that the same conditions as to the school children exist in the Western High School. There are so many pupils there that they have to have two shifts a day.

Mr. BYRNS of Tennessee. I think that is the situation in almost every school in the city, if the information that comes to me is correct. Now let me read this statement:

John Eaton School, at Thirty-fourth and Lowell Streets, serves the large and rapidly growing section including Cleveland Park, the English village, Massachusetts Heights Park, and the large apartment houses on and near Connecticut Avenue from the Million-Dollar and Calvert Street Bridges to the Klingle Valley Bridge near Cleveland Park. Included in this area are Wardman Park Hotel, Cathedral Mansions, and the large apartment houses at Connecticut and Cathedral Avenues; also the large Shapiro subdivision, one block east of Connecticut Avenue, between Connecticut Avenue and Woodley Place.

When the present John Eaton School was completed it was thought the school needs of this section had been met for some time. Four portables had been used before the building was finished. Upon its completion three of these were removed.

Now the school is filled to overflowing, and a general condition of congestion prevails. It has been found necessary in order to accommodate the pupils to take the following steps:

Create a new first grade.

Create a new fifth and sixth—a combination or doubling up.

Create a new seventh and eighth—a combination or doubling up.

Put the third grade into the portable.

Put the new kindergarten in the teachers' room.

Have the first and second grades go half time.

The scholastic increase at John Eaton year before last was 100. Last year it was 150.

John Eaton School serves the immense area from Chevy Chase to the Cook and Morgan Schools on Seventeenth and Eighteenth Streets, respectively. Its present enrollment is 799, which is 121 more than the school, under school regulations, is intended to accommodate.

Around this little school there are now being finished or built, or being projected for immediate building, 730 homes and apartment houses containing 1,174 individual apartments. Real-estate operators estimate this will increase the population around John Eaton School by 7,600. Allowing one child of school age for each two adults, this will mean an addition in the near future of 3,750 school children. Nowhere in Washington in an area of like size are such extensive building operations under way, amounting to some $28,000,000.

The present situation is critical. If another year is allowed to elapse without action being taken, a crisis will have been precipitated.

School population situation near John Eaton School as shown by building under way and projected

Builder	Homes or apartments built, building, or planned [1]	Value of improvement	Increase in population	Increase in school children
Wardman	Cathedral Mansions: 500 apartments nearing completion.	$5,000,000	2,000	1,000
	English Village: 80 houses south of Klingle Road; 250 north of Woodley Road—built, building and planned—2-year project.	7,000,000	1,500	700
Joseph Shapiro	100 houses built and building—east of Connecticut Avenue, between Woodley Place and Cathedral Avenue.	1,500,000	500	250
	Apartment house to be built between Woodley Place and Woodley Road and Cathedral Avenue, 100 apartments, to be finished in year and a half.	1,000,000	400	200
Kennedy Bros	60-room apartment just built; 44-room apartment just built; 70-room apartment building; projected: 1 of 50, 1 of 50, and 1 of 300 apartments; Connecticut and Cathedral Avenues.	5,000,000	2,000	1,000
Middaugh & Shannon	300 homes Massachusetts Heights Park—built or projected for near future.	9,000,000	1,200	600
Total	1,904	28,500,000	7,600	3,750

[1] Does not include small or individual operations in this section.

And yet here we are making appropriations for the fiscal year 1925 and making no suitable provision for the increase of school children in that section of this city. In other words we are going another year without new buildings being contemplated, not due to the fault of Congress—and possibly some citizens may say that Congress is niggardly—but due to the fact that the officials of this city, those responsible for the city government, have failed to come to Congress and tell what they need and what is necessary to appropriate to give these children proper school facilities. Oh, they were quick to come to the Appropriations Committee and ask for $200,000 to increase the park and buy somebody's property up in Klingle Valley for park purposes, but when it comes to the school children, giving them proper advantages of education, then they fail to take into account their necessities.

I have taken this time to call attention to the fact that somebody is failing to give attention to the needs of the District of Columbia for the school facilities which it ought to have. Certainly the citizens of Washington pay less taxes than the citizens of any other city in the United States and can afford proper facilities for school children. I know that all who take pride in this city are particularly anxious to see that the children are given the facilities that they ought to have.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. BYRNS of Tennessee. Certainly.

Mr. SPROUL of Kansas. Who is it in the gentleman's judgment that is at fault in not looking out for this matter?

Mr. BYRNS of Tennessee. Of course, the commissioners make the estimates for the Budget Bureau. Whether there is some one who must make these estimates for the commissioners I do not know. My opinion is that if I was a commissioner in this city and if I realized the conditions are as I have described I would see to it that those who had this duty imposed upon them in the first instance performed it; or as a commissioner I would take it on myself to come to Congress and see if I could not get what is needed.

Mr. DAVIS of Minnesota. Mr. Chairman, I desire to say a few words. Had the gentleman from Tennessee been here when I opened debate upon this appropriation bill and came to the matter of schools, about a week ago, he would have got my opinion—I do not say that he would have got any information, but he would have got an idea along the lines I was talking about. I then stated everything that the gentleman has now said. You will find it in the RECORD. I said that they wanted to buy large tracts of land when they already had four large tracts bought within the last two years, one costing $215,000, two others at $50,000 each, and another at $40,000, upon which no estimates have ever been asked for buildings. I wound up my statement in conclusion by saying that it was time that some plan be devised, that they should get together and map out a regular plan and not go along haphazard, building here and buying a site there without any plan whatever. I said that I desired that to be done in order that the Appropriations Committee might proceed along proper lines.

Mr. BYRNS of Tennessee rose.

Mr. BLANTON. Mr. Chairman, I renew my point of order, that there is no quorum present.

Mr. BYRNS of Tennessee. The gentleman from Texas takes more time than anybody else in the House.

Mr. BLANTON. I know, but we have some business to attend to besides here.

Mr. BYRNS of Tennessee. The gentleman has consumed more time to-day than 95 Members of the House.

Mr. BLANTON. Yes; and I guarantee that I have spent 25 hours on this more than the gentleman has, in my office and at night, with the gentleman somewhere else.

Mr. BYRNS of Tennessee. That is not true.

Mr. BLANTON. Well, it is true.

Mr. DAVIS of Minnesota. Mr. Chairman, I am going to stop——

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. DAVIS of Minnesota. I have mapped out in my speech the same program as the gentleman from Tennessee——

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count.

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union,

reported that that committee had had under consideration the bill H. R. 8839, the District of Columbia appropriation bill, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. CONNERY, for one week, on account of important business.

Mr. MORGAN, indefinitely, on account of the death of his wife.

APPOINTMENT OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair designates to preside to-morrow, as Speaker pro tempore, at the memorial exercises for deceased New York Members, the gentleman from New York, Mr. PARKER.

INCREASE OF POSTAL SALARIES

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent that I may have 10 days within which to file minority views on the bill H. R. 9035, the postal salary increase bill. I understand the majority report was to be filed to-day.

The SPEAKER. The gentleman from Iowa asks unanimous consent for 10 days within which to file views of the minority on the bill H. R. 9035. Is there objection?

There was no objection.

THE LATE M. E. BENTON

Mr. DICKINSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the late M. E. Benton, a former member of the Committee on Appropriations, who died a few days ago at Springfield, Mo.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKINSON of Missouri. Mr. Speaker, a notable ex-Missouri Congressman has passed away. On April 27 at Springfield, Mo., Col. M. E. Benton, died at the home of his son, Nat W. Benton. His home was at Neosho in southwest Missouri, and he had gone to Springfield to attend a democratic State convention assembled there to elect delegates to the national convention in New York City. M. E. Benton was born in Obion County, Tenn., in 1847 and was over 77 years of age when he died. He served in the Civil War on the Confederate side. In 1870 he graduated from the Cumberland University of Tennessee and shortly thereafter moved to Missouri, following the example of his illustrious great uncle and statesman, Thomas H. Benton, who likewise was a native of Tennessee and moved to Missouri and afterwards served 30 years in the United States Senate from his adopted State.

M. E. Benton was a former Member of Congress from the fifteenth district of Missouri, now represented with ability by our colleague, Hon. JOE J. MANLOVE. This district was formerly represented by Hon. Charles H. Morgan and Hon. William J. Stone, later Senator from Missouri. M. E. Benton entered the fifty-fifth Congress and served four successive terms with honor and distinction and for three terms was a member of the Appropriations Committee. He was an active Member during his entire service—eloquent of tongue and prominent in debate. Prior to his election to Congress he was United States district attorney for the western district of Missouri under Grover Cleveland, by whom he was appointed. A notable incident occurred while he was district attorney. For years he had never failed to take part in Democratic campaigns and his services were always in demand. While holding this Federal position he accepted an invitation and went out and made a Democratic speech in campaign year, and President Cleveland promptly removed him from office. It attracted the attention of the entire country. His party did not love him less because of his sacrifice. His friends did not fail him. Senators Vest and Cockrell and other friends rallied to his support and he was reinstated to office by Mr. Cleveland, who admonished him to forego making Democratic speeches in campaign times. Shortly after that he was elected to Congress. He was a courageous Democratic leader, bold in debate, and forceful in the discussion of public questions. He had taken active and prominent part in the political activities of his party for 50 years and never failed to attend and take part in the conventions of his party, over which he frequently presided, chosen because of his ability as a presiding officer and his parliamentary knowledge. He was learned in the law and enjoyed a large practice. He was a member of the constitutional convention of Missouri that recently framed and submitted many amendments to our constitution of 1875. He earned and deserved the high place to which he attained as a great Democrat, worthy of the honors that came to him because of his ability and unusual service.

He was my personal friend, and his notable record and service here makes it fitting that mention be made here of the passing into the great beyond of this strong and historic character.

TRANSPORTATION ACT

Mr. LANKFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the proposed amendment to the labor provision of the transportation act.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to have printed the telegram which I received to-day and which is as follows:

WAYCROSS, GA., *May 2, 1924.*

Congressman W. C. LANKFORD,

United States Capitol Building, Washington, D. C.:

The shopmen's association of the Atlantic Coast Line Railroad, representing 7,000 employees in the mechanical department, located at various points in the States of Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama, desire to file strenuous objections against the proposed legislation designed to change the labor provisions of the transportation act. Under the present law, we are free from dictation of the so-called standard labor organization and we have worked out a harmonious method for the handling of our own affairs with our employers in a manner that we believe will result in lasting benefit to ourselves, the traveling public, and the people of the communities where we reside and work. The satisfactory conditions now existing furnish full evidence that no change is necessary. We respectfully request that you oppose in our behalf the passage of the proposed law.

G. C. STEPHENS, *President.*
R. A. EVERETT, *General Secretary-Treasurer.*

To this telegram I replied as follows:

WASHINGTON, D. C., *May 3, 1924.*

Messrs. G. C. STEPHENS, *President*, and
R. A. EVERETT, *General Secretary and Treasurer,*
Waycross, Ga.:

Your message received. I have received many telegrams and letters from workingmen, railroad owners, and citizens generally relative to the proposed change of the labor provisions of the transportation act, some advocating and some opposing it.

I am giving the matter most careful consideration, with an earnest desire to do what is best for all the people. It certainly is not my desire to do anything that will injure the workers of this country, and I would not vote for any measure which I thought would do this. I shall give your request most careful consideration; and thank you for wiring me.

W. C. LANKFORD.

Mr. Speaker, I shall indeed be very happy if we ever succeed here in Congress in working out a plan for the adjustment of the problems of labor and capital, which will be fair to both labor and capital and to the great mass of common people. Everyone is vitally interested in the proper solution of this very important problem.

I realize that capital is entitled to a fair return on its investment and that unless it receives such a return the railroads of our country and other such public utilities will cease to grow and help develop our Nation. I realize equally as well that labor is entitled to a fair return for keeping these great enterprises going and for its most splendid contribution to the welfare of the whole country. My sympathies are especially strong for railroad employees, my father having been a railroad employee for many years. He worked for several years as a track hand and later section foreman on what is now the Atlantic Coast Line, from Waycross to the Altamaha River, beyond Jesup, Ga. Although he quit the service of the railroad company before I was born I often heard him talk of his work as a railroad hand, and know that he always felt most kindly for others working for railroad companies and earning wages in any line of work. I always shared this feeling of my father. I might here add that I have every reason to be in deepest sympathy with the farmers of the country who are also vitally interested in this legislation. I was raised on the farm, and nearly all of my best friends in the world either live on the farm or were raised on the farm. So it is, Mr. Speaker, that when this bill comes up I shall approach it feeling in deep sympathy with all the parties concerned and most anxious to do what is best for all. There is no one thing which this Congress could do which would be of more vital importance to the whole Nation in the way of a law than a proper solution of the question presented by this proposed change of the labor provision of the transportation act.

ENROLLED BILL SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 1631. An act to authorize the deferring of payments of reclamation charges.

ADJOURNMENT

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and, in accordance with the order heretofore made (at 5 o'clock and 13 minutes, p. m.), the House adjourned until to-morrow, Sunday, May 4, 1924, at 3 o'clock, p. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 278. A resolution providing for the consideration of H. R. 3933, the Cape Cod Canal bill; without amendment (Rept. No. 636). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 279. A resolution providing for the consideration of H. R. 8209, the Inland Waterways Corporation bill; without amendment (Rept. No. 637). Referred to the House Calendar.

Mr. CRISP: Committee on Ways and Means. H. R. 8905. A bill to authorize the settlement of the indebtedness of the Kingdom of Hungary to the United States of America; without amendment (Rept. No. 654). Referred to the Committee of the Whole House on the state of the Union.

Mr. PAIGE: Committee on the Post Office and Post Roads. H. R. 9035. A bill reclassifying the salaries of postmasters and employees of the Postal Service and readjusting their salaries and compensation on an equitable basis, and for other purposes; without amendment (Rept. No. 655). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. FREDERICKS: Committee on Claims. S. 87. An act for the relief of the Near East Relief (Inc.); without amendment (Rept. No. 638). Referred to the Committee of the Whole House.

Mr. FREDERICKS: Committee on Claims. S. 555. An act for the relief of Blattmann & Co.; with an amendment (Rept. No. 639). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 799. An act for the relief of F. A. Maron; with an amendment (Rept. No. 640). Referred to the Committee of the Whole House.

Mr. BLACK of New York: Committee on Claims. S. 935. An act for the relief of the Erie Railroad Co.; without amendment (Rept. No. 641). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 1717. A bill authorizing the payment of six months' pay to Joseph J. Martin; with an amendment (Rept. No. 642). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Claims. H. R. 1830. A bill for the refund of income tax erroneously collected; with an amendment (Rept. No. 643). Referred to the Committee of the Whole House.

Mr. BOX: Committee on Claims. H. R. 2373. A bill for the relief of the Standard Oil Co. at Savannah, Ga.; without amendment (Rept. No. 644). Referred to the Committee of the Whole House.

Mr. FREDERICKS: Committee on Claims. H. R. 2989. A bill for the relief of Mrs. E. L. Guess; with an amendment (Rept. No. 645). Referred to the Committee of the Whole House.

Mr. THOMAS of Oklahoma: Committee on Claims. H. R. 4290. A bill for the relief of W. F. Payne; with amendments (Rept. No. 646). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 5819. A bill for the relief of Capt. D. H. Tribou, chaplain, United States Navy; with amendments (Rept. No. 647). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 6506. A bill for the relief of John Baumen; without amendment (Rept. No. 648). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 8297. A bill for the relief of the Canadian Pacific Railway Co.; without amendment (Rept. No. 649). Referred to the Committee of the Whole House.

Mr. BECK: Committee on Claims. H. R. 8893. A bill for the relief of Juana F. Gamboa; without amendment (Rept. No. 650). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 5774. A bill for the relief of Beatrice J. Kettlewell; without amendment (Rept. No. 651). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on Claims. H. R. 7194. A bill for the relief of Bertram Gardner, collector of internal revenue for the first district of New York; with amendments (Rept. No. 652). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 909. A bill to remove the charge of desertion against the name of Frank George Bagshaw; with an amendment (Rept. No. 653). Referred to the Committee of the Whole House.

Mr. ANDREW: Committee on Naval Affairs. H. R. 2105. A bill for the relief of Milton M. Fenner; without amendment (Rept. No. 656). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CRAMTON: A bill (H. R. 9054) to authorize the Secretary of Commerce to transfer to the city of Port Huron, Mich., a portion of the Fort Gratiot Lighthouse Reservation, Mich.; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWNING: A bill (H. R. 9055) to amend the national prohibition act; to the Committee on the Judiciary.

By Mr. HAWLEY: A bill (H. R. 9056) to include as part of the national forests in Oregon certain lands within the exterior boundaries of such forests, which were a part of the former Oregon and California land grant; to the Committee on the Public Lands.

By Mr. McKENZIE: A bill (H. R. 9057) amending section 27 of the national defense act of June 4, 1920, relating to enlistments; to the Committee on Military Affairs.

By Mr. CONNALLY of Texas: A bill (H. R. 9058) to provide for the purchase of a site and for the erection of a public building thereon at Gatesville, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9059) to provide for the purchase of a site for a post-office building at Mart, Tex.. to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9060) to provide for the purchase of a site and for the erection of a public building thereon at Hamilton, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. GREEN of Iowa (by request): A bill (H. R. 9061) to amend an act entitled "An act to license customhouse brokers," approved June 10, 1910, and for other purposes; to the Committee on Ways and Means.

By Mr. GARBER: A bill (H. R. 9062) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any and all claims, of whatever nature, which the Kansas or Kaw Tribe of Indians may have or claim to have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. RICHARDS: A bill (H. R. 9063) to add certain lands to the Nevada National Forest, in Nevada; to the Committee on the Public Lands.

By Mr. COLTON: A bill (H. R. 9064) to provide for the protection of the Dinosaur National Monument, and for other purposes; to the Committee on the Public Lands.

By Mr. RAGON: Joint resolution (H. J. Res. 254) authorizing and permitting the State of Arkansas to construct, maintain, and use permanent buildings, rifle ranges, and utilities at Camp Pike, Ark., as are necessary for the use and benefit of the National Guard of the State of Arkansas; to the Committee on Military Affairs.

By Mr. GRAHAM of Pennsylvania: Resolution (H. Res. 280) for the immediate consideration of House bill 5195, to provide for a bureau of prohibition in the Treasury Department; to the Committee on Rules.

By Mr. FROTHINGHAM: Resolution (H. Res. 281) for the consideration of House bill 5722, authorizing the conservation, production, and exploitation of helium gas, and for other purposes; to the Committee on Rules.

By Mr. LEHLBACH: Resolution (H. Res. 282) to make in order House bill 8202, a bill to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes"; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 9065) for the relief of Joseph F. Daniels; to the Committee on Naval Affairs.

By Mr. CLANCY: A bill (H. R. 9066) for the relief of William J. Nagel; to the Committee on Claims.

By Mr. CRAMTON: A bill (H. R. 9067) granting an increase of pension to Sarah Compton; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 9068) granting a pension to Elizabeth Barnaclo; to the Committee on Pensions.

By Mr. MADDEN: A bill (H. R. 9069) to credit the accounts of James Hawkins, special disbursing agent, Department of Labor; to the Committee on Claims.

By Mr. PORTER: A bill (H. R. 9070) granting a pension to Elizabeth C. R. Hill; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 9071) granting a pension to William C. Younce; to the Committee on Pensions.

By Mr. RUBEY: A bill (H. R. 9072) for the relief of Morgan L. Atchley; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 9073) for the relief of John A. West; to the Committee on Naval Affairs.

By Mr. TILLMAN: A bill (H. R. 9074) for the relief of Garrett Parker; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2656. By Mr. FULLER: Petition of Emerson-Brantingham Co., Rockford Paper Box Board Co., Rockford Manufacturers & Shippers' Association, Rockford Wholesale Grocery Co., Burson Knitting Co., Hess & Hopkins Leather Co., Barber-Colman Co., and J. Holmquist & Sons, all of Rockford, Ill., protesting against any change in the present transportation act; to the Committee on Interstate and Foreign Commerce.

2657. Also, petition of the American Federation of Railroad Workers, protesting against the passage of the Howell-Barkley bill (H. R. 7358); to the Committee on Interstate and Foreign Commerce.

2658. Also, petition of the Cox Jewelry Co. and C. A. Jensen, of La Salle; Lining Bros., of Peru; and W. T. Tress, Fred S. Keeler & Co., Fred H. Sanders, and Birger Carsen, of Ottawa, all in the State of Illinois, protesting against the tax on jewelry; to the Committee on Ways and Means.

2659. By Mr. Gallivan: Petition of Massachusetts Society, Sons of the American Revolution, Boston, Mass., petitioning that authorization be granted for the complete restoration and repairing of the frigate *Constitution* at the Charlestown Navy Yard, Boston, Mass.; to the Committee on Naval Affairs.

2660. Also, petition of general executive board, International Association of Machinists, recommending favorable consideration of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2661. By Mr. RAKER: Petition of California Independent Telephone Association, Pomona, Calif., in re elimination of tax on telephone and telegrams; to the Committee on Ways and Means.

2662. Also, petition of National Paper Box Manufacturers' Association, Philadelphia, Pa., protesting against passage of House bill 762, providing for amendment of the pure food and drugs act of June 30, 1906; to the Committee on Agriculture.

2663. Also, petitions of T. W. Simpson, Kennett, Calif., urging support of the Howell-Brinkley bill in re abolishment of Railway Labor Board, and American Federation of Railroad Workers, Jersey City, N. J., protesting against passage of Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2664. Also, petition of Penobscot Farm Center, Cool, Calif., opposing passage of the Paige-Kelly-Edge bills; to the Committee on the Post Office and Post Roads.

2665. Also, petition of Arhold Spring, Pasadena, Calif., urging passage of Senate bill 966, the San Carlos Dam project for the relief of the Pima Indians; to the Committee on Indian Affairs.

2666. Also, petitions of Seth Mann, of San Francisco Chamber of Commerce, California, resolutions adopted in opposition to passage of Gooding bill (S. 2327), and the Associated Traffic Clubs of America, New York City, resolutions against anything that would restrict the Interstate Commerce Commission in re rate making; to the Committee on Interstate and Foreign Commerce.

2667. Also, petition of Board of Supervisors of Contra Costa County, State of California, resolution urging passage of the Reece-Capper bill providing for distribution of surplus military material; to the Committee on Military Affairs.

2668. By Mr. RAMSEYER: Petition of citizens of Eldon, Iowa, urging the passage of House bill 2702 and Senate bill 742; to the Committee on Naval Affairs.

2669. By Mr. YOUNG: Petition of the Aneta Commercial Club, Aneta, N. Dak., indorsing the McNary-Haugen bill; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES

SUNDAY, *May 4, 1924*

The House met at 3 o'clock p. m., and was called to order by the Speaker pro tempore, Hon. JAMES S. PARKER, of New York.

Rev. M. J. Riordan, pastor of St. Martin's Church, Washington, D. C., offered the following prayer:

Out of the depths have I cried unto Thee, O Lord. Lord, hear my voice; let Thine ears be attentive to the voice of my supplication. If Thou, Lord, shouldest mark iniquities, O Lord, who shall stand? But there is forgiveness with Thee, that Thou mayest be feared. I wait for the Lord, my soul doth wait, and in His word do I hope. My soul waiteth for the Lord more than they that watch for the morning. Let Israel hope in the Lord, for with the Lord there is mercy, and with Him is plenteous redemption.

Eternal rest grant unto them, O Lord, and let perpetual light shine upon them.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday may be deferred until to-morrow.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that the reading of the Journal of yesterday's proceedings may be deferred until to-morrow. Is there objection?

There was no objection.

MEMORIAL EXERCISES FOR HON. W. BOURKE COCKRAN, HON. DANIEL J. RIORDAN, HON. LUTHER W. MOTT, AND HON. JAMES V. GANLY

The SPEAKER pro tempore. The Clerk will read the special order for to-day.

The Clerk read as follows:

On motion of Mr. CAREW, by unanimous consent—

Ordered, That Sunday, May 4, 1924, at 3 o'clock p. m., be set apart for addresses on the life, character, and public services of Hon. W. BOURKE COCKRAN, Hon. DANIEL J. RIORDAN, Hon. LUTHER W. MOTT, and Hon. JAMES V. GANLY, late Representatives from the State of New York.

Mr. CAREW. Mr. Speaker, I offer the following resolutions.

The Clerk read as follows:

House Resolution 283

Resolved, That the business of the House be now suspended, that opportunity may be given for tributes to the memory of Hon. W. BOURKE COCKRAN, Hon. DANIEL J. RIORDAN, Hon. LUTHER W. MOTT, and Hon. JAMES V. GANLY, late Members of the House from the State of New York.

Resolved, That Members be granted leave to extend their remarks on the life, character, and public services of the late Representatives.

Resolved, That, as a particular mark of respect to the memory of the deceased, and in recognition of their distinguished public careers, the House, at the conclusion of these exercises, shall stand adjourned.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send copies of these resolutions to the families of the deceased.

The resolutions were agreed to.

Mr. MADDEN. Mr. Speaker and gentlemen, we meet here this afternoon to pay tribute to the memory of four men who gave distinguished services to their country in this body—W. BOURKE COCKRAN, DANIEL J. RIORDAN, LUTHER W. MOTT, and JAMES V. GANLY. I came here this afternoon, not to mourn the death of any of these men, but to call attention to the reasons why we should be happy that they lived and rendered such distinguished services to their country. I came here especially to speak of the work and life and character of my very warm personal friend and fellow associate here for 20 years, DANIEL J. RIORDAN. He was one of the most kindly spirits I ever knew. There was no day too long and no work too hard for him to do. There was no task too difficult for him to undertake for the people of the State from which he came and in which he lived.

He was a very modest, unassuming man, simple in his daily life. He had ability that few men realized. He was one of the most eloquent, interesting, and humorous men when he chose to exercise the gift of oratory. He seldom chose to exercise it. He believed that much better results for the country could be obtained by doing the real work for which he was sent here than by occupying the time of the House in delivering speeches. He was one of the most influential men who ever served on the Committee on Naval Affairs. He